



United Microelectronics Corporation

2010 Regular Shareholders' Meeting

Meeting Agenda

Date: June 15, 2010

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**United Microelectronics Corporation
2010 Regular Shareholder's Meeting Procedure**

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2. Chairman takes seat
3. Chairman's address
4. Status Reports
5. Approving Items
6. Discussion Items
7. Extraordinary Motions
8. Adjournment



United Microelectronics Corporation
2010 Regular Shareholder's Meeting Agenda

1. Date: Tuesday, June 15, 2010 9:00 am
2. Location: UMC Recreation Center No.9, Li-Hsin 3rd Rd., Hsinchu Science Park, Taiwan, R.O.C.
3. Attendants: All Shareholders and their proxy holders
4. Chairman: Stan Hung
5. Chairman's Address
6. Status Reports:
 - (1) 2009 business operation
 - (2) Audit Committee's Report on reviewing 2009 audited financial reports
 - (3) Acquisition or disposal of assets with related parties in 2009
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 - (5) The status of 14th shares buyback program
 - (6) Amendment of the Company's Procedure of Transfer Repurchased Shares to Employees Phase XIII and Phase XIV
 - (7) Amendment of the 6th Employee Stock Option Plan
 - (8) Status of the acquisition of total shares of He Jian Technology (Suzhou) Co., Ltd. through merging with the holding companies
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 - (1) To accept 2009 business report and financial statements
 - (2) To approve 2009 Surplus Earning Distribution Chart
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 - (2) To amend the Company's "Acquisition or Disposal of Assets Procedure"
 - (3) To release the elected directors from non-competition restrictions
 - (4) To amend the Company's "Loan Procedure"
 - (5) To amend the Company's "Endorsements and Guarantees Procedure"
 - (6) To propose the issuance plan of private placement for common share, ADR/GDR or CB/ECB, including Secured or Unsecured Corporate Bonds
9. Extraordinary Motions
10. Adjournment

1. Status Reports

(1) 2009 business operations

Explanation:

1. CEO Shih-Wei Sun, to report.
2. Please refer to attachment 1 for 2009 Business Report.

(2) Audit Committee's Report on reviewing 2009 audited financial reports

Explanation:

Please refer to attachment 2 for Audit Committee's report.

(3) Acquisition or disposal of assets with related parties in 2009

Explanation:

UMC's acquisition or disposal of assets with related parties in 2009:

Asset	Date of acquisition	Number of acquired shares	Acquisition Price (NT\$ thousand)	Counterparty	Relationship	Purpose
UMC New Business Investment Corporation	2009/8/25	150,000,000	1,500,000	UMC New Business Investment Corporation	Subsidiary	Long-term Investment
GREEN EARTH LIMITED	2009/11/16	10,000,000	322,050	GREEN EARTH LIMITED.	Subsidiary	Long-term Investment
ALPHA WISDOM	2009/9/30~2009/12/16	60,000,001	1,938,780	ALPHA WISDOM	Subsidiary	Long-term Investment

(4) The Issuance of the Corporate Bonds in 2009

Explanation:

For the purpose of purchasing machinery and equipment, the Company has completed the issuance of 3rd and 4th Zero Coupon Exchangeable Bond for US\$127.2 million and US\$80 million, respectively on December 9th, 2009.

(5) The status of 14th shares buyback program

Explanation:

Instance	14 th Round
Date of Board Resolution	2010.2.2
Purpose	To transfer to employees
Buyback period	2010.2.3~2010.4.2
Price range (NT\$)	10.95~25.85
Projected shares to buyback	300,000,000 Common shares
Classification and volume (Shares)	300,000,000 Common shares
Amount (NT\$)	4,843,587,820
Cancellation and transfer volume (Shares)	—
Cumulative holding (Shares)	521,909,000
Cumulated holding as a percentage of total issued shares	4.02

Reasons for not fully execute the buyback amount	N/A
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Please refer to attachment 3 for "Transfer Repurchased Shares to Employees Phase XIV Procedure".

(6) Amendment of the Transfer Repurchased Shares to Employees Phase XIII and XIV Procedure

Explanation:

1. Based on the requirements from Financial Supervisory Commission, Executive Yuan, the Company proposed to amend Article 7 of the Transfer Repurchased Shares to Employees Phase XIII and XIV Procedure.
2. The amendment will be applied to the Transfer Repurchased Shares to Employees Phase XIII and XIV Procedure.
3. Table below sets for amended articles in Transfer Repurchased Shares to Employees Phase XIII and XIV Procedure.

Article No.	Current provision	Amended Provision
7	The transfer price will be determined by the average price of shares purchased by the Company. If the Company's number of common shares increase <u>or the Company payouts cash dividends before the share transfer</u> , then the transfer price will be adjusted accordingly.	The transfer price will be determined by the average price of shares purchased by the Company. If the Company's number of common shares increase <u>or decrease</u> , then the transfer price will be adjusted accordingly.

(7) Amendment of the 6th Employee Stock Option Plan

Explanation:

1. To achieve the Company's need for retaining the talented/skilled employees, the Company proposed to amend the rules of exercising options in the 6th Employee Stock Option Plan.
2. Table below sets for amended articles in the 6th Employee Stock Option Plan.

Article No.	Current provision	Amended Provision
6	d. Optionees whose employment is terminated shall settle their options during the aforesaid grant period by the following manners: (2) In case of retirement: <u>The employee may exercise all options received upon retirement without being subjected to the restrictions specified under Article 6.b. hereof, provided two years have elapsed since the grant of options. However the exercise shall be carried out in one year starting from the date of retirement or two years after the grant of options, whichever comes later.</u> Upon the expiration of the aforesaid exercise period, unexercised options are deemed forfeited by the employee.	d. Optionees whose employment is terminated shall settle their options during the aforesaid grant period by the following manners: (2) In case of retirement: <u>The vested options shall be exercised within one year upon the effective date of retirement.</u> Upon the expiration of the aforesaid exercise period, unexercised options are deemed forfeited by the employee. <u>The unvested options shall be not applicable upon the effective date of retirement.</u> (.....)

	(.....)	
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(8) Status of the acquisition of total shares of He Jian Technology (Suzhou) Co., Ltd. through merging with the holding companies

Explanation: CFO Chitung Liu, to report.

2. Acknowledgements

(1) To accept 2009 business report and financial statements

Explanation:

1. The Company's 2009 business report and financial statements have been approved by the 6th meeting of the board of directors, 11th term, and reviewed by Audit Committee. The Audit Committee's report was issued accordingly.
2. Please refer to attachment 1 for 2009 business report and UMC's website: www.umc.com for financial statements.
3. It is proposed to accept the 2009 business report and financial statements.

Resolution:

(2) To approve 2009 Surplus Earning Distribution Chart

Explanation:

1. The Company's 2009 Surplus Earning Distribution Chart has been approved by the 6th meeting of the board of directors, 11th term, and reviewed by Audit Committee. The Audit Committee's report was issued accordingly.
2. Please refer to attachment 4 for the Surplus Earning Distribution Chart.
3. It is proposed to approve the 2009 Surplus Earning Distribution Chart.

Resolution:

3. Discussions

(1) To amend the Company's "Financial Derivatives Transaction Procedure"

Explanation:

1. The amendment is based on business requirements and on hedging foreign currency assets.
2. Table below sets for amended articles in Financial Derivatives Transaction Procedure.

Article No.	Current provision	Amended Provision
3	<p>4) Transaction amount & restriction:</p> <p>A. FX position: based on the needs of each currency position, the policy is set to natural hedge. The authorization for each type of transaction is as follows:</p> <p>i. Forward FX transaction: The authorized FX trader will begin transaction after a discussion with FIN 1st level manager on the Company's daily FX position. The transaction pricing range will be determined on the Company's FX assets & liabilities book-in cost. And the settlement of such transaction should be in accordance with the Company's operational needs. Except for the extension for forward FX, which is required for controlling monthly cash flow of foreign currency, not affecting the company's risk. (.....)</p> <p>C. Maximum Contract Size & Loss Limit The total amount of derivatives which the Company is capable to take is based on 100% of latest quarterly revenue amounts. The upper limit of total losses from derivative contracts is US\$ 10 million (or NT\$ equivalent). The upper limit of losses for single derivative contract is 5% of such contract amount. When losses exceed such upper limits, the authorized FX trader shall provide documentation, stating both impacts to the Company and solutions to decrease such losses, after a discussion with FIN 1st level manager. After the approval from CFO and Chairman, the authorized FX trader shall take such solutions and report to Audit Committee the Board afterwards.</p> <p>i. Forward FX transaction is not subjected to the above loss limit restriction, if there are such amount of foreign currency assets <u>or</u> liabilities under hedging purpose in our books.</p> <p>ii. If the transaction is used to hedge the exchange rate risk or interest rate risk associated with issuing equities such as ADR or GDR, or domestic or foreign bonds such as ECB, EB or domestic corporate bond, or long-term bank loan, the transaction amount is limited to the outstanding amount of such issuance. The loss is excluding to the above loss limit due to the equivalent amount of FX</p>	<p>4) Transaction amount & restriction:</p> <p>A. FX position: based on the needs of each <u>net</u> currency position <u>and the forecasted cash flows</u>, the policy is set to natural hedge. The authorization for each type of transaction is as follows:</p> <p>i. Forward FX transaction: The authorized FX trader will begin transaction after a discussion with FIN 1st level manager on the Company's daily FX position. The transaction pricing range will be determined on <u>both</u> the Company's FX assets & liabilities book-in cost <u>and the forecasted cash flows</u>. And the settlement of such transaction should be in accordance with the Company's operational needs. Except for the extension for forward FX, which is required for controlling monthly cash flow of foreign currency, not affecting the company's risk. (.....)</p> <p>C. Maximum Contract Size & Loss Limit The total amount of derivatives which the Company is capable to take is based on 100% of latest quarterly revenue amounts. The upper limit of total losses from derivative contracts is US\$ 10 million (or NT\$ equivalent). The upper limit of losses for single derivative contract is 5% of such contract amount. When losses exceed such upper limits, the authorized FX trader shall provide documentation, stating both impacts to the Company and solutions to decrease such losses, after a discussion with FIN 1st level manager. After the approval from CFO and Chairman, the authorized FX trader shall take such solutions and report to Audit Committee the Board afterwards.</p> <p>i. Forward FX transaction is not subjected to the above loss limit restriction, if there are such amount of foreign currency <u>assets/liabilities and the forecasted cash flows</u> under hedging purpose in our books.</p> <p>ii. If the transaction is used to hedge the exchange rate risk or interest rate risk associated with issuing equities such as ADR or GDR, or domestic or foreign bonds such as ECB, EB or domestic corporate bond, or long-term bank loan, the transaction amount is</p>

	assets or liabilities.	limited to the outstanding amount of such issuance. The loss is excluding to the above loss limit due to the equivalent amount of FX assets or liabilities.
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(2) To amend the Company's "Acquisition or Disposal of Assets Procedure"

Explanation:

1. The amendment of Article 13 and 18 is based on business requirements and requirements for Audit Committee's practices.
2. Table below sets for amended articles in Acquisition or Disposal of Assets Procedure.

Article No.	Current provision	Amended Provision
13	<p>The restrictions of total amount and individual amount for the Company's and its Subsidiary's transactions in real estate for non-operational purposes, marketable securities, and investments in a single marketable security are as follows:</p> <ol style="list-style-type: none"> 1) The purchase of real estate for non-operational purpose shall not exceed 30% of the Company's paid-in capital. 2) The total amount of investment of the Company as another company's shareholder with limited liability shall not exceed 100% of the shareholder's equity in the Company's latest quarter's financial report. For subsidiary companies specialized in investment, the limit is 150%. 3) The total amount of investment in marketable securities after the deduction of the balance of item 2 above must not exceed 30% of the total assets of the Company in its latest quarter's financial report. 4) The investment in a single marketable security shall not exceed <u>50%</u> of the total assets as listed in the latest quarter's financial report. 	<p>The restrictions of total amount and individual amount for the Company's and its Subsidiary's transactions in real estate for non-operational purposes, marketable securities, and investments in a single marketable security are as follows:</p> <ol style="list-style-type: none"> 1) The purchase of real estate for non-operational purpose shall not exceed 30% of the Company's paid-in capital. 2) The total amount of investment of the Company as another company's shareholder with limited liability shall not exceed 100% of the shareholder's equity in the Company's latest quarter's financial report. For subsidiary companies specialized in investment, the limit is 150%. 3) The total amount of investment in marketable securities after the deduction of the balance of item 2 above must not exceed 30% of the total assets of the Company in its latest quarter's financial report. 4) The investment in a single marketable security shall not exceed <u>80%</u> of the total assets as listed in the latest quarter's financial report, <u>except for the subsidiaries that are holding companies.</u>
18	<p>If the outcome of evaluation of the real estate acquired from the related parties is lower than the transaction price, the following measures shall be taken.</p> <ol style="list-style-type: none"> 1) The special reserve shall be appropriated according to the Section 1 of Article 41 of the Securities Exchange Law for the price difference between the transaction price and the assessment and shall not be distributed or used for capital increase. 2) The <u>supervisor</u> shall take measures according to the Article 218 of the Company Law. 3) The measures taken according to section 1 and section 2 shall be reported to the meeting of shareholders and the detailed content of the transaction shall be disclosed in the annual report and prospectus. <p>The special reserve appropriated shall be used</p>	<p>If the outcome of evaluation of the real estate acquired from the related parties is lower than the transaction price, the following measures shall be taken.</p> <ol style="list-style-type: none"> 1) The special reserve shall be appropriated according to the Section 1 of Article 41 of the Securities Exchange Law for the price difference between the transaction price and the assessment and shall not be distributed or used for capital increase. 2) The <u>independent director members of Audit Committee</u> shall take measures according to the Article 218 of the Company Law <u>and Item 4, Article 14-4 of the Security and Exchange Act.</u> 3) The measures taken according to section 1 and section 2 shall be reported to the meeting of shareholders and the detailed content of the transaction shall be disclosed in the annual

	<p>only when the loss of price fall of the assets bought at high price has been acknowledged, the assets disposed, original state restored, or there exist any other evidence to ensure the reasonableness and when the FSC has approved it.</p> <p>If there exists evidence showing that the transaction of the Company to acquire real estate from related parties is not conformity with the business practice, the preceding two sections shall govern.</p>	<p>report and prospectus.</p> <p>The special reserve appropriated shall be used only when the loss of price fall of the assets bought at high price has been acknowledged, the assets disposed, original state restored, or there exist any other evidence to ensure the reasonableness and when the FSC has approved it.</p> <p>If there exists evidence showing that the transaction of the Company to acquire real estate from related parties is not conformity with the business practice, the preceding two sections shall govern.</p>
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(3) To release the elected directors from non-competition restrictions

Explanation:

1. According to Article 209, Company Law, if directors' activities for own or others' interests are related to the Company's business scope, directors shall explain the content of their activities to shareholders' meeting and ask the approval from shareholders' meeting.
2. The Company's director has invested, managed or being directors for companies of which business scope is similar to the Company's. Here to propose to release such director from non-competition restrictions.
3. Propose to approve the Company's director, Chung Laung Liu, to act as the director of Macronix International Co., Ltd. and the independent director of Powerchip Semiconductor Corp., and to release Director Liu from non-competition restrictions.

(4) To amend the Company's "Loan Procedure"

Explanation:

1. The amendment is based on the business requirements and requirements for Audit Committee's practices.
2. Table below sets for amended articles in Loan Procedure.

Article No.	Current provision	Amended Provision
2	<p>Borrower: The Company's directors, <u>supervisors</u>, and officers cannot be the borrowers, and borrowers shall meet the following criteria: (.....)</p>	<p>Borrower: The Company's directors and officers cannot be the borrowers, and borrowers shall meet the following criteria: (.....)</p>
4	<p>The total amount available for lending purpose shall not exceed <u>20%</u> of the total <u>paid-in capital</u> of the Company. For any borrower, the total amount available and evaluation guidelines are as follows: 1) Funds lent to companies having short-term capital needs with the Company or subsidiaries shall not exceed <u>the paid-in capital</u> of the said companies or subsidiaries or <u>4%</u> of</p>	<p>The total amount available for lending purpose shall not exceed <u>10%</u> of the total <u>net value</u> of the Company. For any borrower, the total amount available and evaluation guidelines are as follows: 1) Funds lent to companies having short-term capital needs with the Company or subsidiaries shall not exceed <u>40% of net value</u> of the said companies or subsidiaries or <u>2%</u> of</p>

	<p>the Company's <u>paid-in capital</u>, whichever is lower.</p> <p>2) Funds lent to companies that have business relationship with the Company shall not exceed 10% of the previous year's amount of business with the borrower or <u>4%</u> of the Company's <u>paid-in capital</u>, whichever is lower.</p>	<p>the Company's <u>net value</u>, whichever is lower.</p> <p>2) Funds lent to companies that have business relationship with the Company shall not exceed 10% of the previous year's amount of business with the borrower or <u>2%</u> of the Company's <u>net value</u>, whichever is lower.</p>
<p>5</p>	<p>Procedures for Lending of Capital:</p> <p>1) The borrower applying for the loan shall present a written application specifying the credit line of the loan to the Company with the necessary documents and guarantee information. The Finance Department shall conduct an investigation and evaluation on the application with respect to the borrower's business, financial status, ability to repay the debt, credit, profitability and purpose for lending and come out with a report to the chairman of board of directors for the board's approval. <u>If the Company has independent directors, their</u> opinions shall be thoroughly considered and their concurring or opposing opinions and the reasons for objection shall be recorded in meeting minutes.</p> <p>2) The Finance Department shall conduct a through investigation and evaluation of the borrower. The items to be evaluated shall contain at least the followings.</p> <p>A. The necessity and reasonableness for lending.</p> <p>B. An evaluation of the reasonableness of the amount of the loan in the light of the Borrower's financial status.</p> <p>C. Whether the accumulated amount of loan is still within the limited amount.</p> <p>D. The impact on the Company's operation risks, financial status, and shareholder's equities.</p> <p>E. Whether the collateral shall be acquired and the estimated value of it.</p> <p>F. The borrower's credit and risk assessment record.</p> <p>3) After the amount of the loan is approved, the borrower shall fill in the "drawdown request" to request the disposition of funds.</p> <p>4) If the borrower requests the disposition of funds according to the preceding section, the borrower shall furnish promissory notes of equal amount and when necessary create pledge of movables or immovables, mortgage of movables or immovables to serve as the securities of the loan.</p>	<p>Procedures for Lending of Capital:</p> <p>1) The borrower applying for the loan shall present a written application specifying the credit line of the loan to the Company with the necessary documents and guarantee information. The Finance Department shall conduct an investigation and evaluation on the application with respect to the borrower's business, financial status, ability to repay the debt, credit, profitability and purpose for lending and come out with a report to the chairman of board of directors for the board's approval. <u>While discussing during the board meeting, opinions from independent directors</u> shall be thoroughly considered and their concurring or opposing opinions and the reasons for objection shall be recorded in meeting minutes. <u>Material amount of Loan shall be reported to the board meeting after receiving the approval from more than 1/2 members of Audit Committee.</u></p> <p>2) The Finance Department shall conduct a through investigation and evaluation of the borrower. The items to be evaluated shall contain at least the followings.</p> <p>A. The necessity and reasonableness for lending.</p> <p>B. An evaluation of the reasonableness of the amount of the loan in the light of the Borrower's financial status.</p> <p>C. Whether the accumulated amount of loan is still within the limited amount.</p> <p>D. The impact on the Company's operation risks, financial status, and shareholder's equities.</p> <p>E. Whether the collateral shall be acquired and the estimated value of it.</p> <p>F. The borrower's credit and risk assessment record.</p> <p>3) After the amount of the loan is approved, the borrower shall fill in the "drawdown request" to request the disposition of funds.</p> <p>4) If the borrower requests the disposition of funds according to the preceding section, the borrower shall furnish promissory notes of equal amount and when necessary create pledge of movables or immovables, mortgage of movables or immovables to serve as the securities of the loan.</p> <p>5) <u>When the loan receiver not qualified under this procedure or the remaining amount of the loan exceeds the limit due to change of</u></p>

		<u>circumstances, an improvement program shall be made and sent to Audit Committee, followed by scheduled improvements to strengthen the internal control of the Company.</u>
10	(.....) When the loan receiver not qualified under this procedure or the remaining amount of the loan exceeds the limit due to change of circumstances, an improvement program shall be made and sent to Audit Committee, followed by scheduled improvements to strengthen the internal control of the Company.	(been moved to item 5), Article 5)

(5) To amend the Company's "Endorsements and Guarantees Procedure"

Explanation:

1. The amendment is based on the official letter No.0990011375 from Financial Supervisory Commission, Executive Yuan, business requirements and requirements for Audit Committee's practices .

2. Table below sets for amended articles in Endorsements and Guarantees Procedure.

Article No.	Current provision	Amended Provision
2	(new item added)	(.....) The Company can endorse or guarantee for the invested companies that the Company directly or indirectly holds more than 90% of voting rights. The endorsed or guaranteed amount shall not exceed 10% of the Company's net value, however, the rule is not applicable for the invested companies that the Company directly or indirectly holds 100% of voting rights. (.....)
4	Article 4: The total amount of the Company's endorsements and guarantees is limited to <u>40%</u> of the Company's <u>paid-in capital</u> , and the scope and amount of endorsements and guarantees are as follows. 1) Endorsements and Guarantees for financing shall be NT\$500,000,000 2) Endorsements and Guarantees for customs shall be NT\$50,000,000. 3) Other Endorsements and Guarantees shall not exceed <u>10%</u> of the Company's <u>paid-in capital</u> . 4) The accumulated amount of endorsements and guarantees to one enterprise shall not exceed the paid-in capital of the company endorsed or 10% of the <u>paid-in capital</u> of the Company, whichever is lower. 5) For the endorsements and guarantees to the companies having business relationship with the Company, in addition to the aforementioned amount, the individual amount of the endorsement and guarantee shall not exceed the amount of business. The amount of business refers to the higher amount of buying	The total amount of the Company's endorsements and guarantees is limited to <u>20%</u> of the Company's <u>net value</u> , and the scope and amount of endorsements and guarantees are as follows. 1) Endorsements and Guarantees for financing shall be NT\$500,000,000 2) Endorsements and Guarantees for customs shall be NT\$50,000,000. 3) Other Endorsements and Guarantees shall not exceed <u>5%</u> of the Company's <u>net value</u> . 4) The accumulated amount of endorsements and guarantees to one enterprise shall not exceed <u>the net value of the company endorsed</u> , the paid-in capital of the company endorsed or <u>5%</u> of the <u>net value</u> of the Company, whichever is lower. 5) For the endorsements and guarantees to the companies having business relationship with the Company, in addition to the aforementioned amount, the individual amount of the endorsement and guarantee shall not exceed the amount of business. The amount of business refers to the higher amount of buying

	or selling.	or selling. <u>The consolidated amount of endorsements and guarantees from the Company and subsidiaries shall not exceed 40% of the Company's net value.</u>
5	Decision of Endorsements and Guarantees and level of Authorization: 1) When any department has a need for Endorsements and Guarantees due to business needs, it must receive approval from the Board of Directors. To satisfy the need for timely decision, the chairman of the board of directors may be authorized by the board of directors to make decisions first within an amount and then reported to the Board of Directors for its approval.	Decision of Endorsements and Guarantees and level of Authorization: 1) When any department has a need for Endorsements and Guarantees due to business needs, it must receive approval from the Board of Directors. To satisfy the need for timely decision, the chairman of the board of directors may be authorized by the board of directors to make decisions first within an amount and then reported to the Board of Directors for its approval. <u>Material amount of endorsement and guarantee shall be reported to the board meeting after receiving the approval from more than 1/2 members of Audit Committee.</u>
6	(new item added)	(.....) 7) <u>The Company shall set an expiration date when providing endorsement and guarantee. When the net value of endorsed or guaranteed companies lower than 50% of their paid-in capital, it shall apply Article 6 and shall not make extension for such endorsement or guarantee when the original term expires. When the net value of a subsidiary lower than 50% of its paid-in capital, it shall apply Article 6 and FIN departments shall follow its financial status quarterly and provide written reports about unusual issues and recommendations, if any.</u>
9	Chop keeping and using procedure 1) The Company's chop for the registration to the Ministry of Economic Affairs shall be used as the special chop for endorsement and guarantee, and the chop shall, after the approval of the board of directors, be kept by the secretary of the chairman of the board of directors and the head of documentation of the managerial department. The change of the chop keeper shall be approved by the board of directors. Blanket notes shall be kept by the financial department.	Chop keeping and using procedure 1) The Company's chop for the registration to the Ministry of Economic Affairs shall be used as the special chop for endorsement and guarantee. Blanket notes shall be kept by the financial department.
11-1	(new item added)	<u>Any employee who violates the Procedure or the Regulation is subjected to the jurisdiction of the Company's Code of Conduct or related rules.</u>

Resolution:

(6) To propose the issuance plan of private placement for common share, ADR/GDR or CB/ECB, including Secured or Unsecured Corporate Bonds

Explanation:

1. To provide the flexibility to engage semiconductor technology cooperation or alliance

with major companies, and meanwhile to supplement operating capital for future needs, the Company proposed to (i) engaged with strategic investors through private placement and/or (ii) raised capital from specific parties, through issuing either single or combo instruments such as common shares, DRs (including but not limited to ADS), or Euro/Domestic convertible bonds (including secured or unsecured corporate bonds) in one or separated times, based on market condition and the Company needs. The amount of shares issued or convertible is proposed to be no more than 10% of total share issued (i.e., no more than 1,298,791,231 shares), and it is proposed to authorize the Company's Board to determine the amount of actual shares issued based on status of capital market.

2. The instructions from item 6, Article 43-6, Security and Exchange Act are:
 - (1) The rationality to determine the price of private placement: The price of private placement (including the conversion price of private corporate bonds) shall be set by no less than 80% of average closing price from either 1, 3 or 5 days period before pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction. The actual price and pricing date are proposed to be determined by the Company's Board considering market status, environment conditions and qualification of specific parties. The price determination above shall also follow regulations from government authorities. Considering that Security and Exchange Act has set a no-trading period of 3 years on private placement securities, the price determination above shall be reasonable.
 - (2) The method to determine specific parties: The strategic investors have the priority to be considered as specific parties for private placement if, (i) Be qualified for the rules in item 1, Article 43-6, Security and Exchange Act, (ii) Can meet the Company's needs on technology cooperation and alliance, (iii) Recognize the Company's operation strategy. It is proposed to authorize the Company's Board to determine the specific parties for private placement.
 - (3) The necessity of private placement:
 - (a) The reasons for not taking public offering: Considering the capital market status, effectiveness, feasibility and costs to raise capital, and the no-trading period of 3 years, it is better to maintain the long term relationship with strategic partners by such security issuance of private placement. So the Company proposed to raise capital through private placement, rather than public offering.
 - (b) The capital usage plan and projected benefits of private placement: The Company plan to issue private placement in one or separate (no more than 3) times based on feedbacks from market and specific parties. The capital raised will be fully used as operation capital. The private placement shall provide the benefits to strengthen competitiveness, raise operating efficiency, and strengthen

financial structure, and also improve the Company's shareholders' equity.

3. It is proposed to authorize the Company's Board to determine, proceed or revise the issuance plan of private placement through instruments such as common shares, DRs (including but not limited to ADS), or Euro/Domestic convertible bonds (including secured or unsecured corporate bonds), including issue price, shares, terms and conditions, plan items, amount, record date, projected progresses and benefits, and any other item related to the issuance plan, based on market conditions. It is also proposed to authorize the Company's Board to revise the issuance plan based on operation evaluation, environment changes or if receiving instructions from government authorities.
4. The limitations regarding to private placement are based on Article 43-8, Security and Exchange Act and other letters from government authorities.
5. It is proposed to authorize Chairman or person assigned by Chairman to represent the Company to negotiate and sign any document and contract regarding to private placement plan. For matters regarding to private placement but not included above, it is proposed to authorize Chairman to handle, according to related laws and regulations.



Attachments

Attachment 1

United Microelectronics Corporation 2009 Business Report

Dear Shareholders,

2009 was a turbulent year for the global semiconductor industry. The economic decline brought on by the global financial crisis in the second half of 2008 made operations at UMC quite difficult in Q1. However, through the swift implementation of comprehensive cost control measures that we have in place for times of financial stress, UMC became one of the first companies to recover in Q2 by taking advantage of a strong rebound in demand. We even delivered a record number of wafers in Q3, with profit margins rising to its highest in five years, and Q4 revenues also reaching its highest in two years. Although full-year revenues decreased to NT\$88.6 billion due to the impact from Q1, UMC posted the lowest decline in revenue compared to other foundries. UMC's foundry business remained profitable, with full-year EPS at NT\$0.31 and operating margins at 3.8%. For the full-year period ending December 31, 2009, cash equivalents recorded increased to NT\$52.79 billion, while debt has remained at a low level.

Under UMC's "Customer-Driven Foundry Solutions" business philosophy, our employees have worked hard to expand the share of revenue from top customers as well as our market share. Over the past year, we have engaged new customers while further enhancing our relationships with existing customers, and strengthened our ability to provide the best wafer foundry solutions. Percentage of revenue from advanced and specialty processes has also increased with each quarter. In 2009, 65nm's share of overall revenue increased to 13%, a significant jump from its 7% share in 2008. In addition, two global semiconductor companies, one from Taiwan and another from the USA, awarded UMC with honors of "Best Fab Award" and "Supplier Excellence Award", respectively. These awards recognize UMC's outstanding performance as a top foundry partner that delivers the most appropriate solutions to achieve win-win results for its customers worldwide.

Despite the unpredictability of the economic fluctuations last year, demand for advanced technology development and equipment have nevertheless progressed according to original plans. R&D expenditures have also maintained the same share of total revenues as previous years. UMC has delivered outstanding results in advanced technology development, following a strategy whereby it establishes independent R&D capabilities and capacity, partners with top IDM and fabless companies to develop mainstream full and half node



process technologies, and cooperates with mask, packaging, equipment, materials, and EDA companies to realize faster time-to-market. Numerous customers have already entered volume production with UMC's independently developed 40nm high-performance logic process, which incorporates many advanced technologies such as SiGe, Laser Anneal, and Ultra Low-K. In fact, UMC's advanced 40nm process has helped customers beat the time between tape-out to production by one quarter over the 65nm generation, and has also exhibited stable and predictable yields. In addition, yield optimization efforts for ICs designed using our 45/40nm Low Power process are progressing smoothly, with these ICs soon to enter volume production. In advanced 28nm technology development, UMC has successfully produced the foundry industry's first fully functional 28nm SRAM using the Poly/SiON process, and furthermore presented a unique 28nm hybrid high-k/metal-gate (HK/MG) technology approach at the 2009 International Electron Device Meeting (IEDM). Currently UMC focuses its HK/MG technology development on Gate-Last, which meets our customers' needs for both high performance and low power technologies at advanced nodes. Start of pilot production is scheduled for end of 2010.

In 3-dimensional IC advanced packaging, UMC is developing a cost-effective Through Silicon Via (TSV) packaging technology. For the most leading-edge 20nm technology development, UMC is pursuing independent development while also partnering with SEMATECH and advanced equipment suppliers, universities, and R&D institutions worldwide to develop key next-generation technologies, including Extreme Ultraviolet Lithography (EUVL), Through Silicon Via (TSV) packaging technology, 20nm device engineering and 450mm foundries. UMC has also produced excellent results in the development of specialty technologies, such as High-Voltage (HV), MEMS, CMOS Image Sensor (CIS), embedded memory, and IP, including providing a comprehensive standard component (SC) library, IO library, and customized libraries. These efforts not only strengthen our long-term competitiveness, but also solidify UMC's position as a global foundry technology leader.

To pursue stable long-term growth, UMC invested over US\$500 million in capital expenditures last year in response to strong customer demand for capacity and high-end technologies. This year, UMC is significantly increasing its CAPEX to US\$1.2-1.5 billion, which will mainly be used to build capacity for advanced processes. We plan to boost 45/40nm process capacity and continue to invest in 28nm development and pilot production equipment at Fab12A in Tainan, as well as greatly expand 65/55nm process capacity at Fab12i in Singapore. In addition, we plan to accelerate the readiness timeframe of Fab12A's phase 3 cleanroom related facilities and equipment installation to meet anticipated demand for advanced technology capacity and provide for a more flexible expansion plan.



Nevertheless, the pace of global economic recovery and the successive adjustments of U.S. and China's monetary policies still need to be watched closely. UMC will continue to closely monitor economic conditions over the next several quarters and react prudently in accordance

UMC is also profoundly committed to corporate social responsibility. In addition to completing the foundry industry's first carbon footprint verification for integrated circuit wafers produced at its facilities, receiving third party verification by Det Norske Veritas (DNV), UMC is also the only semiconductor company in Taiwan that independently calculates, verifies, and reports carbon footprints for its products. UMC has also completed the EPD (Environmental Production Declaration) verification for integrated circuit wafers produced at its facilities, as a basis to provide customers with comprehensive environmental information to help them document the green supply chain of their product manufacturing and demonstrate UMC's commitment to corporate social responsibility. UMC's corporate social responsibility (CSR) report received the Taiwan Corporate Sustainability Award Gold honor in 2009, following its 2008 listing as an outstanding performer. Moreover, UMC was also selected as a global component of the Dow Jones Sustainability Index (DJSI) for two consecutive years in 2008 and 2009. These recognitions demonstrate that UMC's achievements in sustainable development and corporate social responsibility are on par with leading companies worldwide and verified by accredited institutions.

UMC is committed to further strengthening corporate governance. Previously, UMC had already established an audit committee formed by independent directors as an internal control system in accordance with SOX404 regulations. Following the 2009 re-election of board directors, UMC's new board established an audit committee that fully complies with Taiwan's regulations by adding another independent director, bringing the total to four, and further appointing one outside director. Since the number of independent and outside directors combined account for more than half of the seats on the board, this action will significantly help to increase operating transparency as well as maintain the interaction and balance between the board and the management team. With more objective supervisory mechanisms, UMC can further safeguard shareholders' equity and enhance shareholders' trust in the integrity of the company's operations and management.

UMC possesses robust R&D and manufacturing, as well as a sound financial structure and excellent management team with a wealth of experience dealing with the cyclical nature of the semiconductor industry. We firmly believe UMC will continue to strengthen its competitiveness in the foundry business to achieve new heights. Moving forward, the



foundry industry and UMC's operations both project optimistic growth. The management team plans to: (1) persist in maintaining independent R&D and solid manufacturing capabilities as part of our Customer-Driven Foundry Solutions approach to help our customers achieve successful results through raising product and service quality; (2) improve the efficiency of the organization and boost employee morale by emphasizing teamwork and execution so that we can better focus on our customers' needs; (3) continue to expand our global presence and complete overseas mergers and acquisitions to help our customers mitigate geographic manufacturing risk and further realize operational and financial synergies from integration and expansion; (4) invest and manage in the areas of carbon reduction and energy conservation, in anticipation of pay-offs from integrating resources cross-functionally and improving the performance of capital spending to maximize benefits for our customers and shareholders.

We would like to thank you for supporting UMC for so many years, and look forward to continuing to build upon UMC's strengths. UMC is well positioned to welcome future challenges and will continue to provide the best available services for our shareholders and customers.

Sincerely,

Chairman: Stan Hung

CEO: Shih-Wei Sun

CFO: Chitung Liu

Attachment 2

Audit Committee's Report

The board of directors has prepared and submitted to us the Company's 2009 financial statements. These statements have been audited by Ernst & Young. The financial statements present fairly the financial position of the Company and the results of its operations and cash flows. We, as the Audit Committee of the Company, have reviewed these statements, the report of operations and surplus earning distribution chart. According to article 219 of the Company Law, we here by submit this report.

United Microelectronics Corporation

Audit Committee:

Chun-Yen Chang

Chung Laung Liu

Paul S.C. Hsu

Cheng-Li Huang

March 17, 2010

Attachment 3

Transfer Repurchased Shares to Employees Phase XIV Procedure

- Article One: To motivate employees and in accordance with R.O.C. Securities and Exchange Law article 28-2-1-1 and regulation of Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan, R.O.C. on “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies”, the Company establishes the “Transfer repurchase shares to employee phase XIV procedure”. The repurchased shares will be transferred to employees according to related laws and this procedure.
- Article Two: The shares to be transferred are the shares that were repurchased under the resolution of the 5th meeting, 11th term of Board of Directors and Supervisors of repurchasing up to 300,000,000 shares. The rights and obligations of the shares, unless regulated by this procedure or related laws, are the same as other common shares outstanding.
- Article Three: According to this procedure, the chairman is authorized to transfer this phase’s repurchased shares to employees one time or various times in three years time starting from the date of repurchase period.
- Article Four: For employees who have joined the Company or the Company’s subsidiaries (the subsidiaries are companies over 50% of the common stocks of which are held by the Company directly or indirectly) one year and above from the date of subscription record date or those who have special contribution to the Company and being approved by Chairman, are entitled to subscribe the amount specified in article five of this procedure.
- Article Five: To set the standard for share subscription according to employee’s rank, years of service, and special contribution to the Company, and will submit the standard to the board for approval.
- Article Six: The transfer procedure of this phase’s share repurchase program: According to the board resolution, make announcement and execute company share repurchase during the repurchase period. The Chairman is authorized under this procedure to establish and announce the subscription record date, the standard for subscription amount, the payment period, and the rights contents and restrictions etc. Calculate the actual share amount with payment and transfer the shares accordingly.
- Article Seven: The transfer price will be determined by the average price of shares purchased by the Company. If the Company’s number of common shares increase or decrease, then the transfer price will be adjusted accordingly.
- Article Eight: After the repurchased shares are being transferred and registered under employees’ names, unless otherwise specified, the rights and obligations of the shares are the same as the other common shares.
- Article Nine: This procedure will go into effect after approval at a Meeting of the Board of Directors. This shall apply to any amendments.
- Article Ten: This procedure should be reported in the Shareholder’s meeting. This shall apply to any amendments.



Attachment 4

UMC 2009 Surplus Earning Distribution Chart

Unit: NT\$

Item	Amount		Note
	Subtotal	Total	
2009 Earning Before Tax	4,468,243,365	4,468,243,365	
Minus: Tax Expense	594,215,158		
Net Profit After Tax		3,874,028,207	
Plus: Previous Year's Unappropriated Earnings	0		
Plus: Adjustment Of Retained Earnings Accounted For Under The Equity Method	6,774,784,604		
Minus: Appropriated For Legal Reserve	1,064,881,281		
Earning Available For Distribution		9,583,931,530	
Distribution Items:			
1. Cash Dividends To Shareholders	6,233,001,658		Dividend per share approximately NT\$0.5
2. Stock Dividends To Shareholders At Par Value	0		
Total Distribution		6,233,001,658	
End Of Term Unappropriated Earnings		3,350,929,872	
Note			
1. Directors' And Supervisors' Remunerations	9,583,932		0.1% of Earning available for distribution
2. Employee Cash Bonuses	965,002,526		10% of Earning available for distribution
3. Employee Stock Bonuses At Par Value	0		

1. According to Article 12, Article of Incorporation, the Company shall allocate the net profit ("earnings"), if any, according to the following sequence: (1)Payment of taxes (2)Making up loss for preceding years (3)Setting aside 10% for legal reserve (4)Allocation of 0.1% of residual amount after deducting the amounts stated in Items 1 through 3 above for remuneration of directors and supervisors (5)The amount of no less than 5% of the residual amount after distribution of item 1 to 3, plus undistributed earnings from previous years, shall be distributed as bonus to employees in the form of cash or new shares.
2. According to the ruling issued by MOF on April 30, 1998 (Ref. 871941343), when distributing earnings it should be taxed as per the year that the earnings was gained. UMC adopts last in first out method when distributing earnings, which is to say, first distribute earnings from the most current year (i.e. 2006) and then the previous year's when not sufficient.
3. In the event of any change in the number of outstanding shares resulting from purchase back of the Company common stock, transfer, conversation or cancellation of the treasury shares, the exercise of the employee stock options, the dividend ratio is necessary to be adjusted. It is proposed to fully authorize the board of directors to adjust the dividend ratio and to proceed the relevant matters.
4. It is proposed to distribute NT\$9,583,932 for directors' and supervisors' remunerations, NT\$965,002,526 for employee cash bonus, and NT\$0 for employee stock bonus shares.

Chairman: Stan Hung

CEO: Shih-Wei Sun

CFO: Chitung Liu



Appendix

Appendix 1

United Microelectronics Corporation Convention Rules for Shareholders' Meetings

1. The convention procedures in a Shareholders' Meeting should follow the Rules.
2. Attending shareholders or their representatives should wear Attendees' Passes and turn in their Attendance Cards to prove their attendance. The cards will also be used to compute stock rights.
3. The Chairman will commence the Meeting when enough shareholders are present to represent over half of the stocks issued are present.
4. The agenda shall be determined by the Board of Directors. The Meeting shall follow the procedures set by the agenda.
5. In order to receive consideration for any proposal not listed in the agenda or for any amendments or alternatives to such a proposal, the proposer must be endorsed by another shareholder(s). In addition, the shares held by the proposer and endorser(s) must together present at least one percent of the total number of common stocks issued.
6. Only proposals will be discussed or voted on. The Chairman has the right to announce the end of any discussion at the appropriate time or terminate discussions if necessary.
7. The Chairman can commence voting on proposals when discussions are over or terminated.
8. Except for those that contradict the Company Law, proposals are approved if over half of the voting rights attending the Meeting consent to them. If no shareholders object after inquiries by the Chairman, proposals are also deemed approved.
9. Attending shareholders must write down their name, the number of their Attendees' Passes, and the number of shares held before making speeches. The Chairman shall decide the order of speeches by shareholders.
10. Any shareholder's speech (including those by individuals or legal entities) shall be limited to three minutes, but can be extended once by the Chairman. Any shareholder (including individuals and legal entities) cannot speak more than twice on the same issue.
11. The Chairman may stop shareholders' speeches if time is out or if the speeches are not relevant to the issues at hand. Shareholder who disturbing the meeting will be asked to leave by the Chairman.
12. The Chairman may announce a recess in the middle of the Meeting if appropriate.
13. The Meeting will be stopped and dismissed in the event of an air strike alarm and will be reconvened one hour after the alarm is over.
14. Issues not covered by the Rules shall be dealt with in accordance with the rules promulgated by the Company Law and the Company's Articles of Incorporation.
15. The Rules, and any future amendments must be approved by the Shareholders' Meeting.

(Translation)
**Articles of Incorporation
of
United Microelectronics Corporation**

Last Updated: June 13, 2008

Section I General Provisions

Article 1 The Company shall be incorporated as a company limited by shares under the Company Law and its name shall be “United Microelectronics Corporation.”

Article 2 The scope of business of the Company shall be as follow:

1. Integrated circuits;
2. Various semiconductor parts and components, such as Hybrid Circuits, IC Cards and Circuit Modules, etc.;
3. Parts and components of microcomputers, microprocessors, peripheral support and system products, such as Contact Image Sensors (CIS) and Liquid Crystal Displays (LCD), etc.;
4. Parts and components of Semiconductor memory and its systems products;
5. Parts and components of semiconductor and its systems products used in digital signal acquisition and transmission system;
6. Parts and components of semiconductor and its systems products used in telecommunication systems;
7. Testing and packaging of integrated circuits
8. Production of mask; research and development, design, production, sales, promotion and after sale service of all above items and their application products.
9. Also engage in export/import trade business in relation to the business of the Company.

Article 2-1 The Company may act as a guarantor.

Article 2-2 When the Company becomes a shareholder of limited liability in other companies, the total amount of its investment may not be subject to the restriction of not exceeding 40% of its own paid-in capital as provided in Article 13 of the Company Law.

Article 3 The Company shall have its head-office in Hsinchu Science-based Industrial Park and, if necessary, may set up branches or business offices in and out of this country upon a resolution of its Board of Directors and approval from the competent government authority.

Article 4 Public notices of the Company shall be made in accordance with Article 28 of the Company Law.

Section II Shares

Article 5 The total capital amount of the Company shall be Two Hundred and Sixty billion New Taiwan Dollars accounting for Twenty Six billion shares, at a par value of Ten New Taiwan Dollars (NT\$10) per share. Board of Directors is authorized to issue the unissued shares in installments. The

issue price per share will be determined by the Board of Directors pursuant to the ROC Company Law or relevant securities-related laws and regulations.

The capital, within fifteen billion New Taiwan Dollars, is for corporate bonds with equity warrants, which is one thousand and five hundred million shares, at a par value of ten New Taiwan Dollars (NT\$10) per share. Board of Directors is authorized to issue the unissued shares in installments depending on the business needs of the Company.

Moreover, the capital, within twenty billion New Taiwan Dollars, is for warrant, which is two billion shares at a par value of Ten New Taiwan Dollars (NT\$10) per share. Board of Directors is authorized to issue the unissued shares in installments depending on the business needs of the Company.

Article 6 The share certificate of the Company can be all name-bearing share certificates and shall be signed by, and affixed with the seals or by signature of, at least three directors of the Company, and issued after duly authentication pursuant to the law.

The Company can also deliver shares by wiring into account books based on related regulations, rather printing physical shares. When issuing other securities, the same rule applies.

Article 7 Registration for transfer of shares shall all be suspended 60 days before the convocation of any ordinary shareholders' meeting, 30 days before the convocation of extraordinary shareholders' meeting, or 5 days before the record day for distribution of dividend, interest and bonus or any other benefit as scheduled by the Company.

Section III Shareholders' Meeting

Article 8 Shareholders' meeting shall be of two types, namely general and extraordinary shareholders' meeting; the former shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each accounting fiscal year and the latter shall be convened in accordance with laws whenever necessary.

Article 9 In case a shareholder is unable to attend a shareholders' meeting, he/she may issue proxy printed by the Company setting forth the scope of authorization by signing or affixing his/her seal on the proxy form for the representative to be present on his/her behalf.

Article 10 Unless otherwise provided in the Laws, a shareholder of the Company shall have one vote for each share held by him.

Article 11 Unless otherwise provided in the Company Law, Securities and Exchange Act or other Laws, resolution shall be made at the meeting attended by shareholders holding and representing majority of the total number of issued and outstanding shares and at which meeting a majority of the shareholders shall vote in favor of the resolution.

Section IV Directors and Supervisors

Article 12 The Company shall have nine (9) to eleven (11) directors to be elected at a shareholders' meeting through nominating system from persons of legal capacity to serve a term of three years. A director or supervisor may be re-elected.

At least three (3) directors or one-fifth of all directors, whichever is higher,

shall be the independent directors. The qualification, the limitations of shareholding and concurrently serving other positions, the methods of nomination and election and other related matters shall be subject to the applicable laws.

- Article 13 The Company shall set forth the Audit Committee, which comprises of all the independent directors. The seats, the term, the authorities, the rules governing meetings and the resources the Company shall provide upon the committee's exercise of authority shall be governed by the charter of Audit Committee, which will be set forth separately.
- Article 14 The Company has to purchase D&O for directors during their terms.
- Article 15 The Board of Directors shall be organized by directors. The Chairman of the Board shall be elected by majority of directors present at a meeting attended by more than two thirds of directors. The directors may also elect a vice Chairman of the Board whenever they may deem necessary to carry out the Company's activities. The Chairman of the Board shall internally be the Chairman of the meeting of shareholders, Board of Directors and managing directors' meeting and externally represent the Company.
- Article 16 In case the Chairman of the Board of Directors is on leave or unable to perform his duties for cause, the vice Chairman of the Board of Directors, if any, shall act as the Chairman. If there is no vice Chairman of the Board or the vice Chairman of the Board is also on leave or unable to perform his duties for cause, the Chairman of the Board shall designate a director to act as the chairman. If no such designation, the directors shall elect one from among themselves.
- Article 16-1 In case a board member is unable to attend the Board of Directors' meeting, he/she may issue proxy setting forth the scope of authorization by signing or affixing his/her seal on the proxy form for another board member to present on his/her behalf. The representative shall serve as the proxy for one director only.
Other than demanded by ROC Company Law, Securities and Exchange Act or other Laws, the resolution of the board of directors shall be adopted by a majority of the directors present at the meeting attended by more than half of the directors.
- Article 17 Remunerations for all directors shall be decided by the Board of Directors authorized by a meeting of shareholders according to involvements and contributions to the Companies' operation and at the normal rate adopted by other firms of the same industry.
- Article 18 The Board of Directors shall have the following functions and responsibilities:
1. Examination and review of operational policy and medium and long-term development plans.
 2. Review of and supervision over execution of annual business plans.
 3. Approval of budget and examination of the final settlement of account.
 4. Examination of capital increase/decrease plans.
 5. Examination of earnings distribution or loss making up programs.
 6. Examination and approval of important contracts.
 7. Examination of Articles of Incorporation or amendments thereof.
 8. Approval of organizational by-laws and important business rules.
 9. Decision in establishment, reorganization or removal of branch offices.
 10. Approval of major capital expenditure plans.

11. Appointment and discharge of general manager and deputy general manager.
12. Execution of resolutions adopted at shareholders' meeting.
13. Examination of matters proposed by general manager for decision.
14. Convocation of shareholders' meeting and making business reports.
15. Other matters to be handled in accordance with the laws.

Article 19 Except for the authority provided under Paragraph 4, Article 14-4 of the Securities and Exchange Act, the authorities granted to each of the supervisor under the Company Act, the Securities and Exchange Act and other laws shall be granted to and exercised by the Audit Committee. Provisions of Paragraph 4, Article 14-4 of the Securities and Exchange Act which are relating to the supervisor's activities and capacity of being the representative of a company provided under the Company Act shall apply mutatis mutandis to each independent director, a member of the Audit Committee.

Section V Managers

Article 20 The Company may have one Chief Executive Officer and several managers, whose appointments, discharge, and remunerations shall be subject to provisions in Article 29 of the ROC Company Law. The title and scope of authority of the managers are to be determined by the board of directors, and the board of directors can authorize the chairman to determine.

Section VI Accounting

Article 21 The Board of Directors shall prepare at the close of each accounting fiscal year for the Company (1) Business Report, (2) Financial Statements, (3) Proposal of Distribution of Earnings or Making Up of Loss, etc. and submit the same to the general shareholders meeting for acceptance.

Article 22 After making the final settlement of account, the Company shall allocate the net profit ("earnings"), if any, according to the following sequence:

1. Payment of taxes.
2. Making up loss for preceding years.
3. Setting aside 10% for legal reserve.
4. Allocation of 0.1% of residual amount after deducting the amounts stated in Items 1 through 3 above for remuneration of directors and supervisors.
5. The amount of no less than 5% of the residual amount after distribution of item 1 to 3, plus undistributed earnings from previous years, shall be distributed as bonus to employees in the form of cash or new shares. The employees may include certain qualified employees from affiliate companies and the qualification of such employees is to be decided by the board of directors.
6. The rest shall be distributed according to the distribution plan proposed by the board of directors according to the dividend policy in paragraph two of this clause and submitted to the shareholders' meeting for approval.

Because the company is still in its growth stage, the dividend policy of the Company shall be determined pursuant to the factors, such as the investment environment, capital requirement, domestic and overseas competition environment and capital budget of the Company current or future, as well as shareholders interest, balance of dividend and long term financial plan of the Company. The Board of Directors shall propose the distribution plan and submit to the shareholders' meeting every year. The distribution of



shareholders dividend shall be allocated as cash dividend in the range of 20% to 100%, and stock dividend in the range of 0% to 80%.

Section VII Additional Rules

Article 23 The organization by-law of the Company shall be provided otherwise.

Article 24 In regard to all matters not provided for in these Articles of Incorporation, the Company Law, Securities and Exchange Act or other Laws shall govern.

Article 25 These Article of Incorporation were enacted on Feb. 21, 1980 and amended on Feb. 21, 1981 for the first time, on May 16, 1981 for the second time, on Aug. 8, 1981 for the third time, on Oct. 20, 1981 for the fourth time, on Jan. 15, 1982 for the fifth time, on Apr. 28, 1983 for the sixth time, on Mar. 19, 1984 for the seventh time, on Aug. 7, 1984 for the eighth time, on Apr. 30, 1985 for the ninth time, on Apr. 26, 1986 for the tenth time, on May 23, 1987 for the eleventh time, on Mar. 5, 1988 for the twelfth time, on March 25, 1989 for the thirteenth time, on June 6, 1989 for the fourteenth time, on Apr. 14, 1990 for the fifteenth time, on Jun. 29, 1991 for the sixteenth time, on May 7, 1992 for the seventeenth time, on Apr. 22, 1994 for the eighteenth time, on May 4, 1995 for the nineteenth time, on Jun. 21, 1995 for the twentieth time, on Apr. 11, 1996 for the twenty-first time, on Jun. 24, 1997 for the twenty-second time, on May 5, 1998 for the twenty-third time, on May 13, 1999 for twenty-fourth time, on Jul. 30, 1999 for twenty-fifth time, on Apr. 7, 2000 for twenty-sixth time, on May 30, 2001 for the twenty-seventh time, on June 3, 2002 for the twenty-eighth time, on June 9, 2003 for the twenty-ninth time, on June 1, 2004 for the thirtieth time, on June 13, 2005 for the thirty-first time, on June 12, 2006 for the thirty-second time, on June 11, 2007 for the thirty-third time, and on June 13, 2008 for the thirty-fourth time.

Appendix 3

**Impact by Distributing Stock Dividends on Operation Results, and
Earnings Per Share and Return on Investment**

Not Applicable.

Appendix 4

UMC Directors Shareholdings & Minimum Shareholdings Required

1. UMC Directors Shareholdings and Legal Minimum Shareholdings is as follows:

Common shares issued	12,987,912,315 shares
Legal holding of all directors in number of shares	160,000,000 shares

2. As of April 17, 2010, all board members' shareholding are as follows:

Position	Name	Number of shares	Shareholding %
Chairman	Stan Hung	10,041,452	0.08%
Director	Wen-Yang Chen (Representative of Hsun Chieh Investment Co.)	441,371,000	3.40%
Director	Po-Wen Yen (Representative of Hsun Chieh Investment Co.)	441,371,000	3.40%
Director	Shih-Wen Sun (Representative of Silicon Integrated Systems Corp.)	315,380,424	2.43%
Director	Ting-Yu Lin	12,347,222	0.10%
Independent Director	Chun-Yen Chang	0	0.00%
Independent Director	Chung Laung Liu	0	0.00%
Independent Director	Paul S.C. Hsu	0	0.00%
Independent Director	Cheng-Li Huang	0	0.00%

Note:

1. As of April 17, 2010, the total shareholding of all directors are 779,140,098 shares.
2. Independent directors' holdings are excluded from total shareholding calculation.
3. The Company has set up Audit Committee, so limitation on Supervisors' holdings is not applicable.