



# United Microelectronics Corporation

## 2013 Regular Shareholders' Meeting

### Meeting Agenda

Date: June 11, 2013

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THIS IS A TRANSLATION OF THE AGENDA FOR THE 2013 ANNUAL GENERAL SHAREHOLDERS' MEETING ("THE AGENDA") OF UNITED MICROELECTRONICS CORPORATION ("THE COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

## Table of Contents

### I. Procedure

### II. Agenda

1. Status Reports
2. Approval Items
3. Discussion Items

### III. Attachments

1. 2012 Annual Business Report (Attachment 1)
2. Audit Committee's Report (Attachment 2)
3. 2012 Audit Report by Independent Auditors (Please refer to [www.umc.com](http://www.umc.com))
4. Table Comparing Original and Amended Articles of "Convention Rules for Meetings of Board of Directors" (Attachment 3)
5. Transfer Repurchased Shares to Employees Phase XV Procedure (as attachment 4)
6. 2012 Balance Sheet, Statement of Income, Statement of Changes in Stockholders' Equity, and Statement of Cash Flows (Please refer to [www.umc.com](http://www.umc.com))
7. 2012 Surplus Earnings Distribution Chart (Attachment 5)
8. Table Comparing Original and Amended Articles of "Loan Procedure" (Attachment 6)
9. Table Comparing Original and Amended Articles of "Endorsements and Guarantees Procedure" (Attachment 7)

### IV. Appendices

1. UMC Convention Rules for Shareholders' Meetings (Appendix 1)
2. Articles of Incorporation (Appendix 2)
3. Impact of Stock Dividend Distribution on Operating Results, Earnings Per Share and Shareholders' Return on Investment (Appendix 3)
4. UMC Directors' Shareholdings & Minimum Shareholdings Required (Appendix 4)



**United Microelectronics Corporation  
2013 Regular Shareholders' Meeting Procedure**

1. Commencement
2. Chairman Takes Seat
3. Chairman's Address
4. Status Reports
5. Approval Items
6. Discussion Items
7. Extraordinary Motions
8. Adjournment



**United Microelectronics Corporation  
2013 Regular Shareholders' Meeting Agenda**

1. Time: Tuesday, June 11, 2013 9:00 a.m.
2. Location: UMC's Fab 8S Conference Hall, No.16, Creation Rd. 1, Hsinchu Science Park
3. Attendants: All shareholders and their proxy holders
4. Chairman: Stan Hung
5. Chairman's Address
6. Status Reports:
  - (1) 2012 business operations
  - (2) Audit Committee's report on review of 2012 audited financial reports
  - (3) Amendment of "Convention Rules for Meetings of Board of Directors"
  - (4) Progress on private placement
  - (5) The issuance of Corporate Bonds
  - (6) Acquisition of shares of Best Elite International Limited, the holding company of Hejian Technology (Suzhou) Co., Ltd.
  - (7) The status of the 15th shares repurchase program
7. Approval Items
  - (1) 2012 Annual Business Report and financial statements
  - (2) 2012 Surplus Earnings Distribution Chart
8. Discussion Items
  - (1) To amend the Company's "Loan Procedure"
  - (2) To amend the Company's "Endorsements and Guarantees Procedure"
  - (3) To propose the issuance plan of private placement of common share, ADR/GDR or CB/ECB, including Secured or Unsecured Corporate Bonds, to no more than 10% of registered capital
  - (4) To release the directors from non-competition restrictions
9. Extraordinary Motions
10. Adjournment

## Status Reports

- (1) 2012 business operations
  - 1) CEO Po-Wen Yen reports.
  - 2) Please refer to the 2012 Annual Business Report (Attachment 1).
  
- (2) Audit Committee's report on review of 2012 audited financial reports  
Please refer to the Audit Committee's report (Attachment 2) and UMC's website ([www.umc.com](http://www.umc.com)) for 2012 Audited Reports by Independent Auditors.
  
- (3) Amendment of "Convention Rules for Meetings of Board of Directors"
  1. UMC will amend related articles in accommodation of "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" of the Financial Supervisory Commission ("FSC").
  2. Please refer to the Table Comparing Original and Amended Articles of the "Convention Rules for Meetings of Board of Directors" (Attachment 3)
  
- (4) Progress on Private Placement
  - 1) The Company's 2012 Annual General Meeting (AGM) has authorized the Board to raise capital from private placement through issuing instruments such as common shares, DRs (including but not limited to ADS), or Euro/Domestic convertible bonds (including secured or unsecured corporate bonds), based on market conditions and the Company's needs. The amount of shares issued or convertible is proposed to be no more than 10% of total shares issued (i.e., no more than 1,292,640,716 shares).
  - 2) Considering market conditions, the Board of Directors resolved on March 13, 2013, to terminate the private placement offering.
  
- (5) The issuance of Corporate Bonds

On April 25, 2012, The Board of Directors resolved to issue Domestic Unsecured Corporate Bonds for the amount of no more than NT\$20,000 million, for the expansion of advanced technology. The company completed the issuance of the 4<sup>th</sup> Domestic Unsecured Corporate Bonds for the amount of NT\$10,000 million on June 7, 2012 and the 1<sup>st</sup> 2013 Domestic Unsecured Corporate Bonds for the amount of NT\$10,000 million on March 15, 2013.

  - 1) The 4<sup>th</sup> Domestic Unsecured Corporate Bonds in 2012  
The total amount issued is NT\$10,000 million with five-year bond and seven-year bond. The amount of five-year bond is NT\$7,500 million and the amount of Class 乙 is NT\$2,500 million. The interest rate of five-year bond is 1.43% and the interest rate of seven-year bond is 1.63%. Both bonds pay the interests annually based on simple

interest and the principal amount will be paid back at maturity.

2) The 1<sup>st</sup> 2013 Domestic Unsecured Corporate Bonds in 2013

The total amount issued is NT\$10,000 million with five-year bond and seven-year bond. The amount of five-year bond is NT\$7,500 million and the amount of seven-year bond is NT\$2,500 million. The interest rate of five-year bond is 1.35% and the interest rate of seven-year bond is 1.50%. Both bonds pay the interests annually based on simple interest and the principal amount will be paid back at maturity.

(6) Acquisition of shares of Best Elite International Limited, the holding company of Hejian Technology (Suzhou) Co., Ltd.

Aiming for a global presence, on April 25, 2012, our Board of Directors proposed an offer to the stockholders of Best Elite, thereby to obtain no more than 64.97% stake of Best Elite by share purchase. We received approval from the Investment Commission, Ministry of Economic Affairs, Executive Yuan to acquire 51.85% stake of Best Elite on December 21, 2012 and purchased the common shares and preferred shares (Class A-1, B and B-1) on February 1, 2013 and March 14, 2013, standing for 51.85% of the shares of Best Elite. We hold 86.88% of the shares of Best Elite to date.

(7) The status of the 15th shares buyback program

Explanation:

Instance	15 <sup>th</sup> Round
Date of Board Resolution	2013.3.13
Purpose	To transfer to employees
Buyback period	2013.3.14~2013.5.13
Price range (NT\$)	7.80~16.90
Projected shares to buyback	200,000,000 Common shares
Classification and volume (Shares)	200,000,000 Common shares
Amount (NT\$)	2,245,445,199
Cancellation and transfer volume (Shares)	—
Cumulative holding (Shares)	200,000,000
Cumulated holding as a percentage of total issued shares	1.58%
Reasons for not fully execute the buyback amount	N/A

Please refer to attachment 4 for "Transfer Repurchased Shares to Employees Phase XV Procedure".

## Approval Items

(1) 2012 Annual Business Report and financial statements

- 1) The Company's 2012 Annual Business Report and financial statements have been approved by the 7<sup>th</sup> meeting of the Board of Directors, 12<sup>th</sup> term, and reviewed by the Audit Committee. The Audit Committee's report was issued accordingly.

2) Please refer to the 2012 Annual Business Report (Attachment 1) and UMC's website (www.umc.com) for financial statements.

3) It is proposed to approve the 2012 Annual Business Report and financial statements.

Resolution:

(2) 2012 Surplus Earnings Distribution Chart

1) The Company's 2012 Surplus Earnings Distribution Chart has been approved by the 7<sup>th</sup> meeting of the board of directors, 12<sup>th</sup> term, and reviewed by the Audit Committee. The Audit Committee's report was issued accordingly.

2) In accordance with Financial Supervisory Commission ("FSC") reference number 1010012865 on April 6, 2012, when the Company adopted International Financial Reporting Standards ("IFRS") starting from 2013, no special reserve was recorded because both unrealized revaluation increments and CTA credits falling under exempt items in IFRS 1 adoption "First-Time Adoption of IFRS" at the transition date were not included into retained earnings.

In the meantime, due to the Company's adoption of IFRS, undistributed earnings has increased NT\$575,195 thousand and decreased NT\$1,414,989 thousand at the January 1, 2012 opening date and December 31, 2012, respectively. For the undistributed earnings adjustment details, please refer to the footnotes in the 2012 consolidated financial statements report.

3) Please refer to the 2012 Surplus Earnings Distribution Chart (Attachment 5).

4) It is proposed to approve the 2012 Surplus Earnings Distribution Chart.

Resolution:

## Discussion Items

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

1) The amendment is based on the Regulations Governing the Loans, Endorsements and Guarantees by Public Companies promulgated by SFC on July 6, 2012 (Ref. 1010029874),.

2) Please refer to Attachment 6 for the table comparing the Original Articles and Amended Articles.

Resolution:

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

1) The amendment is based on the Regulations Governing the Loans, Endorsements and Guarantees by Public Companies promulgated by SFC on July 6, 2012 (Ref.

1010029874),.

2) Please refer to Attachment 7 for the table comparing the Original Articles and Amended Articles.

Resolution:

(3) To propose the issuance plan of private placement for common shares, ADR/GDR or CB/ECB, including Secured or Unsecured Corporate Bonds, to no more than 10% of registered capital

Explanation:

- A. To provide the flexibility to engage in a semiconductor technology cooperation or alliance with major companies, and meanwhile to supplement operating capital for future needs, the Company proposed to (i) engage with strategic investors through private placement and/or (ii) raise 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 conditions and the Company's needs. The amount of shares issued or convertible is proposed to be no more than 10% of total shares issued (i.e., no more than 1,295,180,554 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.
- B. The instructions from item 6, Article 43-6, Security and Exchange Act are:
- 1) The rationality to determine the price of private placement:
    - (a) The common stock price per share shall be no less than the reference price. The reference price is set as the higher of the following two basis prices: 1) The average closing price from either 1, 3 or 5 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction. 2) The average price of 30 days before the pricing date, minus dividends adjustment, plus price discount adjustment due to capital reduction.
    - (b) The issuance price of convertible bonds shall be no less than the theoretical price which is determined by a pricing model considering all options in the issuance terms.
    - (c) The pricing date, actual reference price, theoretical price, and actual issuance price (including the conversion price of corporate bonds) are proposed to authorize the Board to determine after taking into consideration the market status, objective conditions, and qualification of specific parties. The price determination above shall follow regulations



from government authorities. Considering that the 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) Being 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 operating 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 a 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 a long-term relationship with strategic partners by such security issuance of private placement. Therefore, the Company proposed to raise capital through private placement, rather than public offering.
  - (b) The amount of the private placement: less than 1,295,180,554 shares
  - (c) The capital usage plan and projected benefits of private placement: The Company plans to do private placement at one time or several times (no more than 3 times) based on market conditions and specific parties. The capital raised will be fully used as working capital. The private placement will strengthen our competitiveness, upgrade operating efficiency, and reinforce financial structure, which can benefit shareholders' equity.
- C. It is proposed to authorize the 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.
- D. The limitations regarding private placement are based on Article 43-8, Security and Exchange Act and other letters from government authorities.
- E. It is proposed to authorize Chairman or person assigned by Chairman to represent the Company to negotiate and sign any document and contract regarding the private placement plan. For matters regarding the private placement but not included above, it is proposed to authorize Chairman to handle, according to

related laws and regulations.

Resolution:

(4) To release the directors from non-competition restrictions

- 1) According to Article 209, Company Law, if directors' activities for personal or others' interests are related to the Company's business scope, directors shall explain the content of their activities and ask the approval from shareholders at the meeting.
- 2) UMC owns 86.88% of the outstanding shares of Best Elite International Limited, the holding company of Hejian Technology (Suzhou) Co., Ltd., and is responsible for the operation's decisions. UMC appointed Stan Hung and Po-Wen Yen as the directors of Best Elite International Limited in order to create synergy.
- 3) Propose to approve the Company's directors, Stan Hung and Po-Wen Yen, as the directors of the company's subsidiary Best Elite International Limited and to exempt them from non-competition restrictions.

Resolution:

## **Extraordinary Motions**

## **Adjournment**



## *Attachments*

### *Attachment 1*

## **United Microelectronics Corporation 2012 Annual Business Report**

Dear Shareholders,

In 2012, the semiconductor supply chain experienced a steeper inventory adjustment over previous years due to the impact from the European debt crisis. As a result, UMC underwent two quarters of inventory corrections in the second half of 2012. For the year, wafers shipments totaled 4.3 million 8-inch equivalent wafers, leading to NT\$105.99 billion in revenue, a utilization rate of 80%, 21.2% gross margin, 8.6% operating margin, NT\$7.81 billion net income, NT\$0.62 earnings per share and 3.8% ROE.

As part of management's "Customer-Driven Foundry Solutions" philosophy, UMC continuously invests in advanced process R&D to provide customers the most appropriate technology solutions. Accompanied by smooth progress of leading-edge technology R&D and capacity deployment, 65nm and below accounted for 55% of revenue in the fourth quarter alone, while 40nm revenue grew to 15% of overall sales. For the full year, revenue contribution from 65nm and below grew from 39% in 2011 to 52% in 2012. 40nm contribution grew substantially, doubling from the year before.

As UMC continues to invest considerable R&D resources, R&D expenses reached NT\$9.3 billion in 2012, marking five consecutive years of growth. Besides the existing progress for production of 28nm Poly/SiON and verification of 28nm High-K/Metal-Gate processes, UMC is engaging with more customers for advanced nodes and is producing an increasing number of products in mobile communication & computing, wired & wireless connectivity, DTV, data storage controller, and programmable logic. For 20nm and next generation leading-edge technology, UMC entered into a technology agreement with IBM, licensing their 20nm process design kit and FinFET technology, to allow UMC to expedite the timely development of our own 14nm FinFET R&D. UMC has also received positive feedback from customers and backend partners about our 3DIC chip stacking technology development that uses UMC's 2.5D TSI open ecosystem platform. This 3DIC stacking technology, which integrates TSV and DRAM, has passed package-level reliability assessment and can now be applied onto HLP (high-performance/low power) mobile communications products. Meanwhile, UMC has also collaborated with Singapore's IME for joint-development of BSI-TSV technology, which has already helped UMC broaden our Singapore base. In



addition, UMC demonstrated a number of excellent results in specialty technologies, including the industry's first 55nm high voltage technology that was successfully applied onto smartphone panels. Other accomplishments include validating the industry's first high voltage embedded eFlash solution using 12V technology, 65nm FSI-CIS technology entering mass production and successful development of BSI-CIS technology. Moreover, UMC was honored with the National Innovation and Creation award by Taiwan's Bureau of Intellectual Property, Ministry of Economic Affairs. This distinguished award not only recognized UMC's innovation effort but also underscored the company's worldwide foundry technical leadership.

In addition to R&D investment for leading-edge process technology, UMC has continued to expand advanced technology capacity. Last year alone, UMC spent US\$1.7 billion, mainly on Fab 12A Phase 3 and Phase 4 expansion in the Tainan Science Park, 28/40nm capacity expansion, and converting R&D and tools to accommodate 20nm and below nodes. The company also broke ground for Fab 12A Phase 5 and 6 in May 2012, while Phase 7 and 8 plants are being planned to suit customers' long-term demand. This expansion will introduce a new era for 12-inch manufacturing by greatly expanding 28nm capacity and laying out a solid foundation for 20nm and below process. Aside from meeting customers' demand for advanced process capacity, the expansion will propel UMC into the next round of growth.

UMC has long dedicated itself to fulfilling enterprise responsibilities and strengthening corporate governance. Both the "Compensation Committee" and "Audit Committee" will further improve efficiency and complete oversight functions. Through checks and balances between the Board and management, operating transparency is enhanced and shareholders' rights and interests are secured. In order to fulfill enterprise and social responsibilities, UMC hopes to become a promoter in "Social Sustainability." In 2012, the company received numerous recognitions and honors for its social responsibility accomplishments, including the Green Factory Mark, Taiwan Green Role Model Award, Enterprise Environmental and Corporate Disclosure A+ honors, "2012 Corporate Citizenship Award" from Commonwealth Magazine and "Corporate Social Responsibility Report Award" from the Taiwan Institute for Sustainable Energy. UMC has also been selected as a component stock of Dow Jones Sustainability Indexes (DJSI) for five consecutive years and has achieved the highest grades in environmental policy and product environmental responsibilities categories, demonstrating UMC's ability to innovate within our core technological competency while maintaining our commitment as an industry leader in fulfilling environmental responsibilities. Moreover, the company's Fab 12A Phase 3 and 4 have passed Gold level certification (Leadership in Energy and Environmental Design – New Construction, LEED-NC) from the U.S. Green



Building Council. This is another green building recognition received following Gold level green building certification by Taiwan's EEWH (Ecology, Energy Saving, Waste Reduction and Health).

With our solid R&D foundation, established manufacturing capabilities, a healthy financial structure and a wealth of experience of dealing with the cyclical nature of the semiconductor industry, UMC is well positioned to weather the headwinds that face the economy. For 2013, our operating objectives will be to expedite the development of leading edge process and specialty technologies in order to enable our customers' success, continue to enhance our manufacturing, improve quality and shorten product cycle time. We will also expand our marketing efforts and customer penetration to ensure UMC's position as a leading foundry supplier, while increasing the organization's effectiveness, motivating employees to maximize their potential and encouraging employee accountability, thus reshaping long-term competitiveness to reach new peaks in operating performance.

Finally, we would like to thank every shareholder for supporting UMC over the years. The management team will continue to strengthen UMC's advantages on our existing foundation, and enhance technology and service quality in order to maximize shareholders' equity.

Chairman: Stan Hung

CEO: Po-Wen Yen

CFO: Chitung Liu

*Attachment 2*

**Audit Committee's Report**

The board of directors has prepared and submitted to us the Company's 2012 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 earnings distribution chart. According to Article 219 of the Company Law, we hereby submit this report.

United Microelectronics Corporation  
Audit Committee:

Chun-Yen Chang

Chung Laung Liu

Paul S.C. Hsu

Cheng-Li Huang

March 13, 2013

*Attachment 3*

**United Microelectronics Corporation  
Table Comparing Original and Amended Articles of  
“Convention Rules for Meetings of Board of Directors”**

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)
3	<p>The Board Meetings shall be convened at least once a quarter.</p> <p>The reasons for calling the Board Meetings shall be notified to every director at least seven days in advance. However, the Board Meetings may be convened at any time in emergency circumstances.</p>	<p>The Board Meetings shall be convened at least once a quarter.</p> <p>The reasons for calling the Board Meetings shall be notified to every director at least seven days in advance. However, the Board Meetings may be convened at any time in emergency circumstances. The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.</p>
7	<p>The following items should be discussed in Board Meetings:</p> <ol style="list-style-type: none"> <li>1. The Company’s business plans</li> <li>2. Issues mentioned in Item 2, Article 7 (Delete items 3-6)</li> <li>3. Other material matters required by the laws or the articles of incorporation to be approved by the Board Meetings or the shareholders’ meetings.</li> </ol> <p>The following items must be approved by a majority (more than 50%) of Audit Committee members and proposed to the board of directors for resolution:</p> <ol style="list-style-type: none"> <li>1. Establishment or amendment of internal control system according to Article 14-1 of the Securities and Exchange Act.</li> <li>2. Assessment of effectiveness of internal control system</li> <li>3. Based on Article 36-1 of the Securities and Exchange Act, adoption or amendment of procedures for handling financial or operational actions of material significance, such as acquisition or disposal of assets, financial derivatives transactions, loans to other parties, and endorsements and guarantees of other parties.</li> <li>4. Items pertaining to directors’ conflicts of interests</li> <li>5. Asset or financial derivatives transactions of material significance</li> <li>6. Loans, endorsements or guarantees of material significance</li> <li>7. Offering, issuance or private placement of any equity-kind securities</li> <li>8. Appointment or discharge, remuneration, suitability, independence, and performance of certified public accountants (CPA)</li> <li>9. Appointment or discharge of a financial, accounting, or internal audit officer.</li> <li>10. Review and discuss with CPAs regarding annual financial reports, semi-annual financial reports, and quarterly financial reports which comply with domestic governmental requirements.</li> <li>11. Other material matters pertaining to the Company or governmental regulations</li> </ol>	<p>The following items should be discussed in Board Meetings:</p> <ol style="list-style-type: none"> <li>1. The Company’s business plans</li> <li>2. Issues mentioned in Item 2, Article 7 (Delete items 3-6)</li> <li>3. Other material matters required by the laws or the articles of incorporation to be approved by the Board Meetings or the shareholders’ meetings.</li> </ol> <p>The following items must be approved by a majority (more than 50%) of Audit Committee members and proposed to the board of directors for resolution:</p> <ol style="list-style-type: none"> <li>1. Establishment or amendment of internal control system according to Article 14-1 of the Securities and Exchange Act.</li> <li>2. Assessment of effectiveness of internal control system</li> <li>3. Based on Article 36-1 of the Securities and Exchange Act, adoption or amendment of procedures for handling financial or operational actions of material significance, such as acquisition or disposal of assets, financial derivatives transactions, loans to other parties, and endorsements and guarantees of other parties.</li> <li>4. Items pertaining to directors’ conflicts of interests</li> <li>5. Asset or financial derivatives transactions of material significance</li> <li>6. Loans, endorsements or guarantees of material significance</li> <li>7. Offering, issuance or private placement of any equity-kind securities</li> <li>8. Appointment or discharge, remuneration, suitability, independence, and performance of certified public accountants (CPA)</li> <li>9. Appointment or discharge of a financial, accounting, or internal audit officer.</li> <li>10. Annual financial reports and quarterly financial reports.</li> <li>11. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors</li> </ol>

	<p>With respect to matters required by Article 14-3 of the Securities Exchange Act to be submitted to the Board Meetings, independent directors should attend the Board Meetings personally, and may not give a proxy to non-independent directors. An independent director intending to express objection or reservations but unable to attend the Board Meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the Board Meeting minutes.</p> <p>Excluding paragraph 10, other paragraphs mentioned in Item 2, Article 7 shall be approved by more than 2/3 of directors if not first approved by more than 1/2 of the members of Audit Committee, without limitations from Item 2, Article 7. Such a resolution of the Audit Committee shall be recorded in the Board Meeting minutes. The members of Audit Committee and directors referred to in this item shall be defined as those members and directors who are currently serving.</p>	<p>meeting for retroactive recognition.</p> <p>12. Other material matters pertaining to the Company or governmental regulations</p> <p>The term "related party" in subparagraph 11 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>With respect to matters required by Article 14-3 of the Securities Exchange Act to be submitted to the Board Meetings, independent directors should attend the Board Meetings personally, and may not give a proxy to non-independent directors. An independent director intending to express objection or reservations but unable to attend the Board Meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the Board Meeting minutes.</p> <p>Excluding paragraph 10, other paragraphs mentioned in Item 2, Article 7 shall be approved by more than 2/3 of directors if not first approved by more than 1/2 of the members of Audit Committee, without limitations from Item 2, Article 7. Such a resolution of the Audit Committee shall be recorded in the Board Meeting minutes. The members of Audit Committee and directors referred to in this item shall be defined as those members and directors who are currently serving.</p>
9	<p>When the Board Meeting is held, attendance books shall be prepared for signatures by directors attending the Board Meeting.</p> <p>Directors shall attend Board Meetings personally. If personal attendance is not possible, directors can appoint other directors to attend in their place, and they shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. The attendance via teleconference is deemed as personal attendance.</p> <p>One proxy under the preceding paragraph may accept a proxy from one person only. Directors who live overseas may appoint in writing domestic shareholders as their proxy to attend the Board Meetings on a regular basis under the Company Act.</p>	<p>When the Board Meeting is held, attendance books shall be prepared for signatures by directors attending the Board Meeting.</p> <p>Directors shall attend Board Meetings personally. If personal attendance is not possible, directors can appoint other directors to attend in their place, and they shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. The attendance via teleconference is deemed as personal attendance.</p> <p>One proxy under the preceding paragraph may accept a proxy from one person only.</p>
11	The Board Meeting may notify non-director officers	When holding a meeting of the board of directors, a



	<p>from related departments or invite certificated accountants, lawyers or other professionals to attend the Board Meetings as necessary for the agenda items.</p>	<p>company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.</p> <p>When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.</p>
14	<p>To conveniently proceed meeting agenda, the chairperson may restrict the number of times and duration of each director’s speech for each agenda; if necessary, such restriction shall be agreed by all directors present at the Board Meeting. After speeches of directors present at the Board Meeting, the chairperson may personally reply, assign related personnel to reply, or assign professionals sitting at the Board Meeting to provide relevant and necessary information.</p> <p>Except for the case of unanimous consent of all directors sitting at the Board Meeting upon inquiry, the methods of voting, monitoring and counting methods shall be stated in the Board Meeting minutes.</p>	<p>To conveniently proceed meeting agenda, the chairperson may restrict the number of times and duration of each director’s speech for each agenda; if necessary, such restriction shall be agreed by all directors present at the Board Meeting. After speeches of directors present at the Board Meeting, the chairperson may personally reply, assign related personnel to reply, or assign personnel of subsidiaries sitting at the Board Meeting to provide relevant and necessary information.</p> <p>Except for the case of unanimous consent of all directors present at the Board Meeting upon inquiry, the methods of voting, monitoring and counting methods shall be stated in the Board Meeting minutes.</p>
16	<p>A board director can present opinions and answer questions, but is prohibited from and have to be absent from participating in discussion of or voting on an agenda item in which the director or the juristic person that the director represents is an interested party, where such participation is likely to prejudice the interest of the Company, and likewise is prohibited from voting on such item as a proxy of another director.</p> <p>With respect to resolutions of the Board Meetings, the provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 2 of that Act, shall apply in cases where a board director is prohibited by the preceding paragraph from exercising voting rights.</p>	<p>A board director shall state the important aspects of the interested party relationship at the respective meeting, but is prohibited from and have to be absent from participating in discussion of or voting on an agenda item in which the director or the juristic person that the director represents is an interested party, where such participation is likely to prejudice the interest of the Company, and likewise is prohibited from voting on such item as a proxy of another director.</p> <p>With respect to resolutions of the Board Meetings, the provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 3 of that Act, shall apply in cases where a board director is prohibited by the preceding paragraph from exercising voting rights.</p>
17	<p>7. Discussion items: Revolution methods and results for each agenda; summaries of speeches made by, and any objections or reservations expressed by, directors, professionals and other people that have been included in records or stated in writing; and any opinion issued in writing by an independent director under Article 7, item 3.</p> <p>8. Extraordinary motions: Names of the mover; resolution methods and results for each motion; and summaries of speeches made by, and any objections or reservations expressed by, directors, professionals and other people that have been included in records or stated in writing.</p>	<p>7. Discussion items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 7, paragraph 5.</p> <p>8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship</p>

		of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing. (---)
20	The constitution and amendment of the Rules shall be approved by the Board Meeting and be reported to the shareholders' meeting.	The constitution of the Rules shall be approved by the Board Meeting and be reported to the shareholders' meeting. The amendment shall be approved by the Board Meeting.

*Attachment 4*

## **Transfer Repurchased Shares to Employees Phase XV 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 XV 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 7<sup>th</sup> meeting, 12<sup>th</sup> term of Board of Directors and Supervisors of repurchasing up to 200,000,000 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 and the cost of capital could be included. If the Company’s number of common shares increase, then the transfer price will be adjusted accordingly. The cost of capital is defined of Taiwan Bank’s 1-yr bulk time deposit floating interest rate.
- 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 5

**UMC 2012 Surplus Earnings Distribution Chart**

Unit: NT\$

Item	Amount		Note
	Subtotal	Total	
2012 Earning Before Tax	9,889,376,439	9,889,376,439	
<i>Minus:</i> Income Tax Expense	2,069,928,553		
Net Profit After Tax		7,819,447,886	
<i>Minus:</i> Adjustment of Retained Earnings Accounted For Under The Equity Method	96,912,326		
<i>Minus:</i> Appropriated For Legal Reserve	772,253,556		
<i>Plus:</i> Previous Year's Unappropriated Earnings	13,706,119,117		
Earnings Available For Distribution (Cumulative)		20,656,401,121	
Items for Distribution:			
Cash Dividends To Shareholders	5,061,310,216		Dividend per share at approximately NT\$0.4
Total Distribution		5,061,310,216	
End of Term Unappropriated Earnings		15,595,090,905	
Note			
1. Directors' Remunerations	6,950,282		
2. Employee Cash Bonuses	1,040,179,328		Approximately 15% of earnings available for distribution

1. According to Article 22, Articles 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) Appropriating or reversing special reserve by government officials or other regulations (5) Allocation of 0.1% of residual amount after deducting the amounts stated in Items 1 through 4 above for remuneration of directors (6) The amount of no less than 5% of the residual amount after distribution of item 1 to 4, 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 according to the year that the earnings were 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. 2012) and then the previous year's when not sufficient.
3. In the event of any change in the number of outstanding shares resulting from the purchase back of the Company common stock, transfer, conversation or cancellation of the treasury shares, or the exercise of the employee stock options, the dividend ratio must be adjusted. It is proposed to fully authorize the board of directors to adjust the dividend ratio and to proceed on the relevant matters.
4. It is proposed to distribute NT\$6,950,282 for directors' remunerations, NT\$1,040,179,328 for employee cash bonus, and NT\$0 for employee stock bonus shares.

Chairman: Stan Hung

CEO: Po-Wen Yen

CFO: Chitung Liu

*Attachment 6*

**United Microelectronics Corporation  
Table Comparing Original and Amended Articles of  
“Loan Procedure”**

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)
3	<p>“Subsidiary” and “Parent company” shall be defined in accordance with the No. 5 and No.7 of the General Accepted Accounting Principles of the ROC Accounting Research Institution Regulation.</p> <p>The submission for disclosure shall refer to inputting the relevant data into the Market Observation Post System website designated by the Securities and Futures Commissions’.</p>	<p>“Subsidiary” and “Parent company” shall be defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. “Net Value” mentioned in the Procedure is defined as the balance sheet equity attributable to the holders of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The submission for disclosure shall refer to inputting the relevant data into the website designated by the Financial Supervisory Commission.</p> <p>“Occurrence of the event” mentioned in the Procedure means the date of contract signing, date of payment, date of board of directors resolutions, or other date of the counter party and amount of the transaction determined, whichever date is earlier.</p>
4	<p>1) Funds lent to companies having short-term capital needs with the Company or subsidiaries shall not exceed 40% of net value of the said companies or subsidiaries or 2% of the Company’s net value, 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 2% of the Company’s net value, whichever is lower.</p>	<p>1) Funds lent to companies having short-term capital needs with the Company or subsidiaries shall not exceed 40% of net value of the said companies or subsidiaries or 2% of the Company’s net value, 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 2% of the Company’s net value, whichever is lower.</p> <p>When there are short-term capital needs among the offshore companies which are 100% owned directly and indirectly by the Company, the total lending amount shall be subject to the limit of 40% of the net value of the lending subsidiary, and the lending amount for any individual entity shall not exceed 10% of the net value of the lending subsidiary. The lending period in this case shall be within one year and the interest rate of such loan shall not be lower than the capital cost of the lending subsidiary from its short-term loan with the financial institution. The interest to be collected shall be calculated and paid once a month, be withheld when the fund is appropriated, or be paid on the last day of the lending period.</p>
5	<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>4) If the borrower requests the disposition of funds according to the preceding section, the borrower shall furnish promissory notes, bank guarantee, or other guarantee (collateral) 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. When the subsidiaries in which the Company directly and indirectly holds more than 50% of the</p>

		voting shares are the borrowers, they are excepted in this case.
6	The term of the loan shall not exceed one year, and any extension should be approved by the board of directors.	The term of the loan shall not exceed one year.
7	<p>2) When the loan is due or the borrower pays the loan before the due date, the borrower shall calculate the payable interests and pay the interests with the principal before the promissory note or object of mortgage may be rescinded and returned to the lender or the mortgage registration may be cancelled. The lender shall demand repayment of principals and interests when the loan becomes due. If the timely repayment could not be effected and extension of the term is needed, prior request is required to the board of directors for its approval. Each extension shall not exceed 6 months, and shall be limited to only once. Any loan which is due and which is not repaid 15 days after the written notice of collection by the Company shall be subjected to the court's ruling and the promissory notes and collaterals be effected.</p> <p>3) The Company shall, in accordance with GAAP, evaluate the status of the loan, list adequate preparatory bad debt, appropriately disclose relevant information in the financial report, and provide relevant data for the certified accountant to proceed with necessary auditing procedures.</p>	<p>2) When the loan is due or the borrower pays the loan before the due date, the borrower shall calculate the payable interests and pay the interests with the principal before the promissory note, bank guarantee, other guarantee (collateral), or object of mortgage may be rescinded and returned to the lender or the mortgage registration may be cancelled. The lender shall demand repayment of principals and interests when the loan becomes due. If the timely repayment could not be effected and extension of the term is needed, prior request is required to the board of directors for its approval. Each extension shall not exceed 6 months and the whole lending period shall be within one year. Such extension shall be limited to only once. Any loan which is due and which is not repaid after the written notice of collection by the Company shall be subjected to the Company's further legal actions or the court's ruling and the promissory notes and collaterals be effected.</p> <p>3) The Company shall evaluate the status of the loan, list adequate preparatory bad debt, appropriately disclose relevant information in the financial report, and provide relevant data for the certified accountant to proceed with necessary auditing procedures.</p>
8	The interests to be collected mentioned in the preceding section shall be calculated and paid once a month or be withheld when the fund is appropriated.	The interests to be collected mentioned in the preceding section shall be calculated and paid once a month, be withheld when the fund is appropriated, or be paid on the last day of the lending period.
9	If the remaining amount of the loan reaches any of the following criteria, it shall be disclosed and reported within two days from the occurrence of the event.	If the remaining amount of the loan reaches any of the following criteria, it shall be disclosed and reported within two days commencing immediately from the occurrence of the event.

Attachment 7

**United Microelectronics Corporation**  
**Table Comparing Original and Amended Articles of**  
**“Endorsements and Guarantees Procedure”**

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)
2	<p>The parties to be endorsed and guaranteed are as follows:</p> <ol style="list-style-type: none"> <li>1) Companies who have business relationship with the Company.</li> <li>2) Subsidiaries over 50% of the common stocks of which are directly held by the Company.</li> <li>3) Companies over 50% of the common stocks of which are held by the Company directly or indirectly.</li> <li>4) Companies which hold over 50% of the Company’s common shares directly or indirectly.</li> </ol> <p>In case the Company endorses or guarantees for the invested company the amount determined according to the portion of holding shares as a shareholder based on a joint investment, the preceding section shall not govern.</p> <p>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.</p> <p>“Subsidiary” and “Parent company” mentioned in the Procedure are defined according to No. 5 and No.7 of the General Accepted Accounting Principles of the ROC Accounting Research Institution Regulation.</p> <p>“Disclosure and report” mentioned in the Procedure represents data uploading to specific website defined by Financial Supervisory Commission, Executive Yuan.</p>	<p>The parties to be endorsed and guaranteed are as follows:</p> <ol style="list-style-type: none"> <li>1) Companies who have business relationship with the Company.</li> <li>2) Companies over 50% of the common stocks of which are held by the Company directly or indirectly.</li> <li>3) Companies which hold over 50% of the Company’s common shares directly or indirectly.</li> </ol> <p>In case the Company endorses or guarantees for the invested company the amount determined according to the portion of holding shares as a shareholder based on a joint investment, the preceding section shall not govern.</p> <p>The Company can endorse or guarantee for the invested companies that the Company directly or indirectly holds more than 90% of voting rights only if the proposed endorsement or guarantee resolved by the Company’s board of directors in advance. The endorsed or guaranteed amount shall not exceed 10% of the Company’s net value, However, the aforementioned rules are not applicable for the invested companies that the Company directly or indirectly holds 100% of voting rights.</p>
2-1	-	<p>“Subsidiary” and “Parent company” mentioned in the Procedure are defined according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>“Net value” mentioned in the Procedure is defined as the balance sheet equity attributable to the holders of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>“Occurrence of the event” mentioned in the Procedure means the date of contract signing, date of payment, date of board of directors resolutions, or other date of the counterparty and amount of transaction determined, whichever date is earlier.</p> <p>“Disclosure and report” mentioned in the Procedure represents data uploading to specific website defined by Financial Supervisory Commission.</p>

<p>4</p>	<p>The total amount of the Company's endorsements and guarantees is limited to 20% of the Company's net value, and the scope and amount of endorsements and guarantees are as follows.</p> <ol style="list-style-type: none"> <li>1) Endorsements and Guarantees for financing shall be NT\$500,000,000</li> <li>2) Endorsements and Guarantees for customs shall be NT\$50,000,000.</li> <li>3) Other Endorsements and Guarantees shall not exceed 5% of the Company's net value.</li> <li>4) The accumulated amount of endorsements and guarantees to one enterprise shall not exceed the net value of the company endorsed, the paid-in capital of the company endorsed or 5% of the net value of the Company, whichever is lower.</li> <li>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.</li> </ol> <p>The consolidated amount of endorsements and guarantees from the Company and subsidiaries shall not exceed 40% of the Company's net value.</p>	<p>The total amount of the Company's endorsements and guarantees is limited to 20% of the Company's net value, and the amount of endorsements and guarantees to one enterprise is as follows.</p> <ol style="list-style-type: none"> <li>1) The accumulated amount of endorsements and guarantees to one enterprise shall not exceed 5% of the net value of the Company.</li> <li>2) For the endorsements and guarantees to the companies having business relationship with the Company, in addition to the aforementioned amount restriction, the 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.</li> </ol> <p>The consolidated amount of endorsements and guarantees from the Company and subsidiaries shall not exceed 40% of the Company's net value, and, for any single entity, shall not exceed 20% of the Company's net value.</p>
<p>5</p>	<p>Decision of Endorsements and Guarantees and level of Authorization:</p> <ol style="list-style-type: none"> <li>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. 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.</li> </ol>	<p>Decision of Endorsements and Guarantees and level of Authorization:</p> <ol style="list-style-type: none"> <li>1) When any department has a need for Endorsements and Guarantees due to business needs, it must receive approval from the Board of Directors.</li> </ol> <p>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.</p>
<p>6</p>	<ol style="list-style-type: none"> <li>4) The Company shall request the delivery of notes of the same amount as a counter guarantee, or the provision of collateral if necessary.</li> <li>5) The financial department shall make a detailed list of the guarantee provided and cancelled every month for the purpose of tracing and disclosure and report and, according to the No. 9 of the Regulation on the Financial Accounting, quarterly assess and acknowledge contingent losses of the endorsement or guarantee, and disclose relevant information in the financial report</li> </ol>	<ol style="list-style-type: none"> <li>4) The Company shall request the delivery of notes of the same amount as a counter guarantee, or the provision of collateral if necessary. Endorsement and guarantee to the subsidiaries in which the Company directly and indirectly holds more than 50% of the voting shares are excepted in this case.</li> <li>5) The financial department shall make a detailed list of the guarantee provided and cancelled every month for the purpose of tracing and disclosure and report and quarterly assess and acknowledge</li> </ol>



	<p>and provide the certified public accountant with relevant information to proceed with the necessary auditing procedure.</p> <p>7) 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.</p>	<p>contingent losses of the endorsement or guarantee, and disclose relevant information in the financial report and provide the certified public accountant with relevant information to proceed with the necessary auditing procedure.</p> <p>7) 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. The aforementioned paid-in capital shall be the sum of the share capital and paid-in capital in excess of par value of the share in case of a subsidiary with shares having no par value or a par value other than NT\$10.</p>
10	<p>2) If the Company and its subsidiary meet any of the following criteria, the Company shall disclose and report the relevant information within two days of the occurrence of the event.</p> <p>iii. The Company's and its subsidiary's remaining amount of the endorsement and guarantee to one single company reaches NT\$10,000,000 or more, and the total remaining amount of endorsement and guarantee, long-term investment and loan exceeds 30% of the net worth of the Company's latest financial report.</p>	<p>2) If the Company and its subsidiary meet any of the following criteria, the Company shall disclose and report the relevant information within two days commencing immediately from the occurrence of the event.</p> <p>iii. The Company's and its subsidiary's remaining amount of the endorsement and guarantee to one single company reaches NT\$10,000,000 or more, and the total remaining amount of endorsement and guarantee, investment with long-term nature and loan exceeds 30% of the net worth of the Company's latest financial report.</p>



## *Appendices*

### *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.
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 represent 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. Shareholders who disturb 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.

*Appendix 2*

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

Last Updated: June 15, 2011

**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 Committees**

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 13-1 The Company established a Remuneration Committee, of which the number of members, duration of duty, rights of duty, rules of procedure, and resources that the Company must provide during period of duty shall be separately determined by the Charter of the Remuneration Committee.
- 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 managers.
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 as well as related regulations. 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. Appropriating or reversing special reserve by government officials or other regulations
5. Allocation of 0.1% of residual amount after deducting the amounts stated in Items 1 through 4 above for remuneration of directors
6. The amount of no less than 5% of the residual amount after distribution of item 1 to 4, plus undistributed earnings from previous years, shall be distributed as bonus to employees in the form of cash or new shares. The employees to receive stock bonus may include certain qualified employees from affiliate companies and the qualification of such employees is to be decided by the board of directors.
7. 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,, and on June 15, 2011 for the thirty-fifth time.

*Appendix 3*

**Impact of Stock Dividend Distribution on Operating Results, Earnings Per Share and Shareholders' 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	12,937,633,165 shares
Legal holding of all directors in number of shares	160,000,000 shares

2. As of April 13, 2013, all board members' shareholdings are as follows:

Position	Name	Number of shares	Shareholding %
Chairman	Stan Hung	13,541,452	0.10%
Director	Po-Wen Yen (Representative of Hsun Chieh Investment Co.)	441,371,000	3.41%
Director	Shih-Wen Sun (Representative of Silicon Integrated Systems Corp.)	315,380,424	2.44%
Director	Wen-Yang Chen (Representative of UMC Science and Culture Foundation)	10,000	0.00%
Director	Ting-Yu Lin	12,547,222	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 13, 2013, the total shareholdings of all directors are 782,850,098 shares.
2. Independent directors' holdings are excluded from total shareholding calculations.
3. The Company has set up an Audit Committee, so limitations on supervisors' holdings are not applicable.