

# **United Microelectronics Corporation**

## **2014 Regular Shareholders' Meeting**

### **Meeting Agenda**

**Date: June 11, 2014**

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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.

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**United Microelectronics Corporation  
2014 Regular Shareholders' Meeting Procedure**

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**United Microelectronics Corporation**  
**2014 Regular Shareholders' Meeting Agenda**

1. Time: Wednesday, June 11, 2014 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) 2013 business operations
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  - (2) 2013 Surplus Earnings Distribution Chart
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9. Extraordinary Motions
10. Adjournment

## **Status Reports**

### (1) 2013 business operations

- 1) CEO Po-Wen Yen reports.
- 2) Please refer to the 2013 Annual Business Report (Attachment 1).

### (2) Audit Committee's report on review of 2013 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 2013 Audited Reports by Independent Auditors.

### (3) Progress on Private Placement

- 1) The Company's 2013 Annual General Meeting had 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 1,295,180,554 shares).
- 2) Considering market conditions, the Board of Directors resolved on March 12, 2014, to terminate the private placement offering.

## **Approval Items**

### (1) 2013 Annual Business Report and financial statements

- 1) The Company's 2013 Annual Business Report and financial statements had been approved by the 14<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 2013 Annual Business Report (Attachment 1) and UMC's website ([www.umc.com](http://www.umc.com)) for financial statements.
- 3) It is proposed to approve the 2013 Annual Business Report and financial statements.

Resolution:

### (2) 2013 Surplus Earnings Distribution Chart

- 1) The Company's 2013 Surplus Earnings Distribution Chart had been approved by the 15<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 2013 Surplus Earnings Distribution Chart (Attachment3).

3) It is proposed to approve the 2013 Surplus Earnings Distribution Chart.

Resolution:

## Discussion Items

(1) To propose cash distribution from additional paid-in capital

- 1) The Company proposed to distribute cash of NT\$6,128,094,002 from additional paid-in capital derived from the issuance of new shares at a premium to the register of shareholders on the record date and the expected cash per share is NT\$0.49. Cash payment shall be rounded to one NTD (amounts less than one NTD shall be ignored).
- 2) If the outstanding shares are impacted due to the Company's subsequent share buybacks, the transfer or cancellation of treasury stocks, the exercise of employee stock options or other matters, it is proposed the chairman be authorized by the Annual Meeting of Shareholders to adjust the cash payout ratio.
- 3) Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to determine the record date and payment date for the cash distribution from additional paid-in capital.

Resolution:

(2) To amend the Company's "Acquisition or Disposal of Assets Procedure"

- 1) The amendment is based on the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by SFC on December 30, 2013 (Ref.1020053073).
- 2) Please refer to Attachment 4 for the Table Comparing the Original and the 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 1,269,208,166 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, Securities and Exchange Act are:

- 1) The basis and rationale 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: (i) 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. (ii) 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 Securities and Exchange Act has set the restrictions on transfers of the privately placed securities for three full years, 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, Securities 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 restrictions on transfers for three full 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: on more than 1,269,208,166 shares
  - (c) The use of proceeds 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 governmental authorities.
- D. The limitations regarding private placement are based on Article 43-8, Securities 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:

## **Extraordinary Motions**

## **Adjournment**

## *Attachments*

### *Attachment 1*

## **United Microelectronics Corporation 2013 Annual Business Report**

Dear Shareholders,

In 2013, we persevered through lingering European debt woes, US Fed's announcement of QE tapering and China's economic slowdown, all of which continued to impact the confidence in economic growth. The increasing demand in mobile computing was offset by the weakening of PC shipments and semiconductor inventory adjustment, which led to multiple corrections reflected in UMC's quarterly revenue. In the foundry segment, 2013 shipments totaled 4.99 million 8-inch equivalent wafers, an increase of 12.3% over the previous year. Capacity utilization rate reached 82.3%, up 3.5% from 2012. For the new business segment, facing the fierce competitive nature of the solar and LED industries, management adjusted operating focus to continually reduce losses in operating performance, resulting in a loss of NT\$0.15 per share. UMC's consolidated revenue for 2013 was NT\$123.81 billion with gross margin of 19% and operating margin of 3.3%. The annual income attributable to the stockholders of the parent was NT\$12.63 billion, with earnings of NT\$1.01 per share, representing shareholders' return on equity of 6.2%.

To uphold the philosophy in servicing customers' needs, UMC offers comprehensive foundry solutions with continuous commitment to delivering advanced technology breakthroughs and capacity expansion. The execution in advance node capacity deployment has resulted in 40nm and below technologies accounting for 24% of sales during the fourth quarter of 2013. 65nm and below nodes represented 52% of full year 2013 revenue, including an annual increase of 95% in 40nm sales. While Asia-Pacific region plays an increasingly important role in semiconductor demand, the acquisition of HeJian fab in SuZhou, along with sales offices in Japan and Korea, will enable UMC to capture new business and gain market share to take advantage of growing economies in the Asia-Pacific.

UMC's remained focused on R&D, with expenses amounting to NT\$12.49 billion in 2013. For advanced technologies, yield for 28nm Poly/SiON and High-K/Metal-Gate significantly improved. Activities on 28nm programs and product applications continued to expand, including mobile communication, computing, wired and wireless Internet, digital TV, data

storage controller, programmable logic and other end devices. For 14nm and below technologies, UMC licensed 20nm FinFET technology from IBM in 2012 to expedite our own internal 14nm development. The collaboration was further expanded with UMC joining IBM for collaborative 10nm FinFET development. Through IBM's support and know-how, UMC's 14nm FinFET technologies offer an immensely competitive solution for low power mobile and communication IC designs. In 3D IC, UMC has successfully demonstrated the industry's first TSV developed under an open ecosystem supply chain partnership. Using the bare die integrated with UMC's TSV and stacked with memory, the 3D IC solution has passed customer package-level reliability testing. In addition, UMC successfully manufactured 40nm embedded charge trap (eCT) technology, which is in the validation stages. For 55nm, although UMC's industry leading 55nm embedded high voltage process is in volume production, UMC continues to miniaturize the die size and increase the SRAM density to enable more advanced single chip touchscreen IC designs, fulfilling the high-resolution requirements in LCD display and premium smartphone segments. Semiconductor applications for green energy have started to gain momentum. As UMC's high voltage process is in the production phase, our R&D team has completed the development of integrating world class low conductance high voltage resistance components to deliver a complete SoC solution for the green energy market. As for CMOS-MEMS R&D plans, UMC's CMOS-MEMS products have passed customer qualification and will enter the production phase, providing a number of technical applications to enable industry experts and academia to concentrate on the development of new components and technologies. This breakthrough will lower the entry barrier for local IC design houses to penetrate the market and sharpen the business & technical acumen for Taiwanese companies to compete in the MEMS industry.

UMC also expanded capacity in advanced technology with capital expenditure of US\$1.1 billion, including Phase 5 and Phase 6 of Fab 12A in Tainan and R&D equipment for 14nm and below. UMC established Fab 12i in Singapore as its specialty technology "Center of Excellence" to spearhead the company's R&D and manufacturing for advanced specialty process technologies. UMC will undertake R&D development programs with local research institutes to generate unique specialty technologies for customers to enter new markets including automotive, smartphones and tablet computing. The joint effort with Singapore institutions will help accelerate the process development cycle of new products to facilitate short turn-around time for our specialty customers. For new business, the product development for niche segments, ongoing qualification and channel expansion will help lead to an improvement in revenue and profitability.

UMC has had a long term commitment to corporate social responsibilities and high standards of corporate governance. UMC's Remuneration Committee and Audit Committee have provided a strong structural framework for effective governance of the company. UMC also established a Capital Budget Committee that oversees the company's capital expenditures and annual budget plans to enhance operating efficiency as well as its approach to risk management. The installation of the committees will promote the long-term interests of shareholders, strengthen board and management accountability through interactivity and provide a balance between the board and management. In 2013, UMC received several distinguished honors for corporate social responsibility. The awards included Taiwan Green Role Model Award, Industry Health and Safety Award, Enterprise Environmental and Corporate Disclosure honors, "2013 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 six consecutive years and has sustained the highest marks in environmental protection policy and product environmental responsibilities. These accolades are a testament to UMC's ability to generate new technological developments while sustaining our deep commitment to meeting environmental responsibilities.

UMC has achieved excellence in R&D and manufacturing, supported by a healthy financial structure along with the experience in dealing with the seasonal cycles in the semiconductor industry. UMC is in a strong position to overcome the challenges in the industry and sustain continuous success in the foundry industry. Looking towards the future, UMC management team will (1) accelerate the development of advanced node and specialty technologies, (2) consolidate manufacture to enhance quality and productivity, (3) broaden market share with increases in customer penetration and (4) improve organizational efficiency and encourage employees' potential and accountability, to enhance corporate competitiveness.

UMC would like to thank every shareholder for supporting the company over these years. Management will continue to strengthen the company's competitive advantage, and accomplish technological advancement in order to maximize customers' benefit and 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 2013 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

April 16, 2014

*Attachment 3*

**UMC 2013 Surplus Earnings Distribution Chart**

Unit: NT\$

Item	Amount		Note
	Subtotal	Total	
2013 Earning Before Tax	14,652,485,320	14,652,485,320	
<i>Minus:</i> Income Tax Expense	2,022,281,861		
Net Profit After Tax		12,630,203,459	
<i>Minus:</i> Appropriated For Legal Reserve	1,263,020,346		
<i>Plus:</i> Actuarial gain (loss) on defined benefit plans	378,855,028		
<i>Plus:</i> Previous Year's Unappropriated Earnings	15,595,090,905		
<i>Minus:</i> Adjustments for first-time adoption of TIFRSs	1,414,988,934		
Earnings Available For Distribution (Cumulative)		25,926,140,112	
Items for Distribution:			
Cash Dividends To Shareholders	125,063,143		Dividend per share at approximately NT\$0.01
Total Distribution		125,063,143	
End of Term Unappropriated Earnings		25,801,076,969	
Note			
1. Directors' Remunerations	11,746,038		
2. Employee Cash Bonuses	1,162,655,682		Approximately 9.9% 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 Item 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. 2013) 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\$11,746,038 for directors' remunerations, NT\$1,162,655,682 for employee cash bonus, and NT\$0 for employee stock bonus shares.

Chairman: Stan Hung

CEO: Po-Wen Yen

CFO: Chitung Liu

*Attachment 4*

**United Microelectronics Corporation  
Table Comparing Original and Amended Articles of “Acquisition or  
Disposal of Assets Procedure”**

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)	Explanation
2	<p>“Assets” mentioned in this Procedure is defined as the follows:</p> <p>1) Investments such as stocks, <u>treasury</u>, corporate bonds, deposit receipts, warrant, securities representing interest in a fund, and asset-back securities.</p> <p>2) Real <u>estate</u> (including inventory of construction enterprises) and <u>other fixed assets</u>. (.....)</p>	<p>“Assets” mentioned in this Procedure are defined as the following:</p> <p>1) Investments such as stocks, <u>government bonds</u>, corporate bonds, deposit receipts, warrants, securities representing interest in a fund, and asset-backed securities.</p> <p>2) Real <u>property</u> (including <u>land, houses and buildings, investment properties, rights to use land, and</u> inventory of construction enterprises) and <u>equipment</u>. (.....)</p>	Conform to the amendments to related regulations.
3	<p>(.....)</p> <p>2) Assets acquired or disposed of through merger, spin-off, acquisition, and transfer of shares: refer to assets thereby acquired or disposed of according to Enterprise Merger and Acquisition law, Financial Holding Company Law, Financial Institution Acquisition Law other laws or acquire shares by issuing new shares of the Company in accordance with the 6<sup>th</sup> paragraph of Article 156 of the Company (for the purpose of this Procedure, the transfer of shares).</p> <p>3) Related party: <u>is defined according to No. 6 of the General Accepted Accounting Principles issued by the ROC Accounting Research Institution Regulation.</u></p> <p>4) <u>Subsidiary: is defined according to No. 5 and No.7 of the General Accepted Accounting Principles issued by the ROC Accounting Research Institution Regulation.</u></p> <p>5) Professional appraiser: refers to real <u>estate</u> appraiser or other</p>	<p>(.....)</p> <p>2) Assets acquired or disposed of through merger, spin-off, acquisition, and transfer of shares: refer to assets thereby acquired or disposed of according to Enterprise Merger and Acquisition law, Financial Holding Company Law, Financial Institution Acquisition Law other laws or acquire shares by issuing new shares of the Company in accordance with the 8<sup>th</sup> paragraph of Article 156 of the Company (for the purpose of this Procedure, the transfer of shares).</p> <p>3) Related party <u>or subsidiary: as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>4) Professional appraiser: refers to real <u>property</u> appraiser or other professionals who are legally approved to assess the value of real <u>property</u> and <u>equipment</u>.</p> <p>5) Date of event: refers to earliest of the signing date, payment date,</p>	Conform to the amendments to related regulations.

	<p>professionals who are legally approved to assess the value of real estate and other fixed assets.</p> <p>6) Date of event: refers to earliest of the signing date, payment date, record date, and board resolution date and other date when the parties and amounts of transaction can be determined. If it is subject to approval of the governing authority, the date of event refers to the earliest of the aforementioned date or the approval date.</p> <p>7) China investment: is referred to the investment in China approved by the Investment Committee of Ministry of Economic Affairs.</p>	<p>record date, and board resolution date and other date when the parties and amounts of transaction can be determined. If it is subject to approval of the governing authority, the date of event refers to the earliest of the aforementioned date or the approval date.</p> <p>6) China investment: is referred to the investment in China approved by the Investment Committee of Ministry of Economic Affairs.</p>	
<p>5</p>	<p>Operating procedure for the acquisition and disposal of assets:</p> <p>1) In order to cope with the needs such as the expansion of operations and improvement of service quality, the acquisition and disposal of such assets as mentioned in the previous article shall, within the Company's approved budget, be carried out in accordance with the process and procedure of the Company for procurements and assets acquisition.</p> <p>2) If the Company acquires or disposes of assets such as marketable securities or real estate for the purpose of expanding business or for other investment purposes, it is necessary to first receive the approval of the Chairman of the Board before the related departments carry out the transaction, and then, upon completion of the transaction, be reported to Board Meeting. However, the transaction for purchasing security has to be pre-approved by Audit Committee and Board Meeting, if either the transaction amount surpasses NT\$ 200 million or 1% of cash and cash equivalent from latest financial statements, or the accumulated</p>	<p>Operating procedure for the acquisition and disposal of assets:</p> <p>1) In order to cope with the needs of operations, the acquisition and disposal of such assets as mentioned in the previous article shall be carried out in accordance with the procedures of the Company for procurements, assets acquisition, contract management or other related processes.</p> <p>2) The acquisition or disposal of securities, real property or membership certificates shall first be approved by the Chairman of the Board before the executing departments carry out the necessary transactions or procedures. The transactions or procedures shall then be reported at the Board Meeting upon completion. However, the transaction for purchasing security must be pre-approved by Audit Committee and Board Meeting, if either the transaction amount surpasses NT\$ 200 million or 1% of cash and cash equivalents from the latest financial statements, or the accumulated purchasing transaction amount for a single security surpasses NT\$ 300 million within two years.</p> <p>3) Related Party Transactions, assets</p>	<p>Conform to the needs of commercial practice.</p>

	<p>purchasing transaction amount for single security surpasses NT\$ 300 million within two years.</p> <p>3) <u>The acquisition or disposal of membership certificates and intangible assets shall be reported to the Chairman by the finance department. Upon the approval of Chairman, the transaction shall be carried out by relevant department and reported to the Board Meeting.</u></p> <p>4) Related Party Transactions, assets acquired or disposed through merger, spin-off, acquisition or transfer of shares shall be carried out in accordance with section II and III of the Procedure.</p> <p>(.....)</p>	<p>acquired or disposed through merger, spin-off, acquisition or transfer of shares shall be carried out in accordance with section II and III of the Procedure.</p> <p>(.....)</p>	
6	<p>Evaluating procedure for the acquisition and disposal of assets:</p> <p>1) <u>Marketable securities:</u> When the Company acquires or disposes of <u>marketable securities</u>, the target company's recent <u>audited financial reports</u> shall, prior to the date of occurrence of the event, be procured as the reference of evaluation of the transaction price, and the transaction price will be determined as follows: (.....) <u>A public company acquiring or disposing of securities shall first, prior to the date of the event occurrence, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall also engage a certified public accountant prior to the date of the event occurrence to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert</u></p>	<p>Evaluating procedure for the acquisition and disposal of assets:</p> <p>1) Securities: When the Company acquires or disposes of securities, the target company's <u>most recent financial reports, certified or reviewed by a certified public accountant (CPA)</u> shall, prior to the date of occurrence of the event, be procured as the reference of evaluation of the transaction price, and the transaction price will be determined as follows: (.....) If the dollar amount of the transaction reaches 20 percent of the company's paid-in capital or <u>more than NT\$300 million</u>, the company shall also engage a <u>CPA</u> prior to the date of the event occurrence to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with <u>the provisions of Statement of Auditing Standards No.20 published by the ROC Accounting Research and Development Foundation (ARDF)</u>. This requirement does not apply, however, to publicly quoted prices of securities that have an</p>	<p>Conform to the amendments to related regulations.</p>

	<p>as evidence, the CPA shall do so in accordance with <u>No.20 of the General Accepted Accounting Principles of the ROC Accounting Research Institute Regulation</u>. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the <u>Executive Yuan's Financial Supervisory Commission ("FSC")</u>, including (.....)</p> <p>2) <u>Real estate or other fixed assets</u>: When the Company acquires or disposes of <u>real estate or other fixed assets</u>, except for dealing with government, contract to construction on land owned by the Company or land leased from other party, equipment for business operation acquired or disposed of, with the transaction amount exceeding either <u>twenty</u> percent of Company's paid-in capital or <u>NT\$300,000,000</u>, an appraisal report shall first be obtained prior to the date of the event occurrence, and the transaction shall be conducted in accordance with the following: (.....)</p> <p>C. If the appraisal report meets any of the following criteria, except when all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the <u>certified public accountant's</u> fairness opinion on the difference and the reasonableness of price shall be obtained and the Company shall consult with <u>certified public accountant</u> to take measures in accordance with <u>No.20 of the General Accepted Accounting Principles of the ROC Accounting Research</u></p>	<p>active market, or where otherwise provided by regulations of the Financial Supervisory Commission ("FSC"), including (.....)</p> <p>2) <u>Real property or equipment</u>: When the Company acquires or disposes of <u>real property or equipment</u>, except for dealing with government, contract to construction on land owned by the Company or land leased from another party, equipment for business operation acquired or disposed of, with the transaction amount exceeding either <u>20</u> percent of Company's paid-in capital or <u>NT\$300 million</u>, an appraisal report shall first be obtained prior to the date of the event occurred. The transaction shall be conducted in accordance with the following: (.....)</p> <p>C. If the appraisal report meets any of the following criteria, except when all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, the <u>CPA's</u> fairness opinion on the difference and the reasonableness of price shall be obtained and the Company shall consult with <u>the CPA</u> to take measures in accordance with <u>the provisions of Statement of Auditing Standards No.20 published by the ARDF</u>. (.....)</p> <p>3) <u>Membership certificates or intangible assets</u>: (.....) When the Company acquires or disposes of membership certificates or intangible assets with the transaction price exceeding either <u>20</u> percent of Company's paid-in capital</p>	
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	<p style="text-align: center;"><u>Institute Regulation.</u> (.....)</p> <p>3) Membership certificates or intangible assets: (.....) When the Company acquires or disposes of membership certificate or intangible assets with the transaction price exceeds either <u>twenty percent of Company's paid-in capital or NT\$300,000,000</u>, the Company shall engage a <u>certified public accountant</u> prior to the date of the event occurrence to render an opinion on the reasonableness of the transaction price; the <u>public accountant</u> shall take measures in accordance with No.20 <u>of the General Accepted Accounting Principles of the ROC Accounting Research Institute Regulation.</u> (.....)</p>	<p>or NT\$300 million, <u>except in transactions with a government agency</u>, the Company shall engage a <u>CPA</u> prior to the date of the event occurrence to render an opinion on the reasonableness of the transaction price; the <u>CPA</u> shall take measures in accordance with <u>the provisions of Statement of Auditing Standards No.20 published by the ARDF.</u> (.....)</p>	
<p>9</p>	<p>(.....)</p> <p>1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements. (.....)</p> <p>4) Where an asset transaction other than any of those referred to in the preceding three subparagraphs, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: A. Buying or selling <u>treasury</u>. B. Buying or selling <u>marketable securities</u> in domestic or foreign stock exchange or over-the-counter when the Company's scope of business is</p>	<p>(.....)</p> <p>1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, <u>or subscription or redemption of domestic money market funds.</u> (.....)</p> <p>4) Where an asset transaction other than any of those referred to in the preceding three subparagraphs, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: A. Buying or selling <u>government bonds</u>. B. Buying or selling securities in domestic or foreign stock</p>	<p>Conform to the amendments to related regulations.</p>

	<p>investment.</p> <p>C. Buying or selling bonds <u>that contain call-option or put-option</u>.</p> <p>(.....)</p> <p>The relevant contracts, meeting minutes, register, appraisal report, opinion of the <u>certified public accountant</u>, lawyers, or underwriters shall be kept in the Company for at least 5 years unless otherwise specified by other laws.</p>	<p>exchange or over-the-counter when the Company's scope of business is investment.</p> <p>C. Buying or selling bonds <u>under repurchase/resale agreements, or subscription or redemption of domestic money market funds</u>.</p> <p>(.....)</p> <p>The relevant contracts, meeting minutes, register, appraisal report, opinion of the <u>CPA</u>, lawyers, or underwriters shall be kept in the Company for at least 5 years unless otherwise specified by other laws.</p> <p><u>For the calculation of 10 percent of total assets under this Procedure, only the total assets stated in the most recent parent company's financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</u></p>	
15	<p>When the Company acquires or disposes of real property from or to a related party, or when it acquires or disposes of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by Audit Committee and the board of directors:</p> <p>(.....)</p>	<p>When the Company acquires or disposes of real property from or to a related party, or when it acquires or disposes of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, <u>except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds</u>, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by Audit Committee and the board of directors:</p> <p>(.....)</p>	<p>Conform to the amendments to related regulations.</p>
16	<p>(.....)</p> <p>In any of the following event, the acquisition of real estate from related parties shall be carried out according to Article 15 of the Procedure, the preceding three sections shall not apply.</p> <ol style="list-style-type: none"> <li>1) The related party acquired the real <u>estate</u> due to succession or gift.</li> <li>2) The lapse between the date of</li> </ol>	<p>(.....)</p> <p>In any of the following event, the acquisition of real estate from related parties shall be carried out according to Article 15 of the Procedure, the preceding three sections shall not apply.</p> <ol style="list-style-type: none"> <li>1) The related party acquired the real <u>property</u> due to succession or gift.</li> <li>2) The lapse between the date of</li> </ol>	<p>Conform to the amendments to related regulations.</p>

	<p>acquisition of real <u>estate</u> and the date of the transaction has been more than five years,</p> <p>3) The acquisition of real <u>estate</u> is based on the cooperative construction contract with the related parties.</p>	<p>acquisition of real <u>property</u> and the date of the transaction has been more than five years,</p> <p>3) The acquisition of real <u>property</u> is based on the cooperative construction contract with the related parties, <u>or through engaging a related party to build real property, either on the company's own land or on rented land.</u></p>	
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## *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 Item 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	12,706,314,290 shares
Legal holding of all directors in number of shares	160,000,000 shares

2. As of April 13, 2014, all board members' shareholdings are as follows:

Position	Name	Number of shares	Shareholding %
Chairman	Stan Hung	13,541,452	0.11%
Director	Po-Wen Yen (Representative of Hsun Chieh Investment Co.)	441,371,000	3.47%
Director	Shih-Wen Sun (Representative of Silicon Integrated Systems Corp.)	315,380,424	2.48%
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, 2014, 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.