

United Microelectronics Corporation

2016 Regular Shareholder Meeting

Meeting Minutes

Date: June 7, 2016

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United Microelectronics Corporation 2016 Regular Shareholder Meeting Agenda

Time: Tuesday, June 7, 2016 9:00 am

Location: UMC's Fab 8S Conference Hall, No.16, Creation Rd. 1, Hsinchu Science Park

Attendants: All shareholders and their proxy holders, representing 10,257,815,002 shares (among them, 5,949,293,537 shares voted via electronic transmission), or 82.66% of the total 12,408,239,978 outstanding shares

Board Members Present: Po-Wen Yen, Shan-Chieh Chien, Cheng-Li Huang, and Ting-Yu LI

Chairperson: Stan Hung, Chairman

Minute Recorder: Philip Lien

I. Chairman announced commencement.

II. Chairman's Address (**omitted**)

III. Discussion Items (I)

(1) To amend the Company's Articles of Incorporation

1. Compliance under amendments of Company Act, Article 235, Article 235-1 and Article 240, and in accordance to Ministry of Economic Affairs Ref#10402413890 and Ref#10402427800

2. The table below compares the Original Articles and Amended Articles:

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)	Note
21-1	(newly added Article)	<p><u>The Company shall allocate no less than 5% of profit as employees' compensation and no more than 0.1% of profit as directors' compensation for each profitable fiscal year. However, the Company's accumulated losses shall be reserved.</u></p> <p><u>The employees' compensation under the preceding paragraph will be entitled to receive shares or cash. The employees of the Company's subsidiaries who fulfill specific requirements finalized by the board of directors may be granted such compensation. Directors may only receive compensation in cash.</u></p> <p><u>The Company may, by a resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, distribute employees' and director's compensation in the preceding two paragraphs and report to the shareholders' meeting for such distribution.</u></p>	The newly added Article requiring the distribution of employees' compensation and directors' compensation to comply with the amendments of the Company Act.
22	After making the final settlement of account, the Company shall allocate the net profit ("earnings"), if any, according to the following sequence:	After making the final settlement of account, the Company shall allocate the net profit ("earnings"), if any, according to the following sequence:	Employees' compensation and directors' remuneration to

	<p>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. <u>Allocation of 0.1% of residual amount after deducting the amounts stated in Items 1 through 4 above for remuneration of directors.</u> 6. <u>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 may include certain qualified employees from affiliate companies and the qualification of such employees is to be decided by the board of directors.</u> 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 <u>still in its growth stage</u>, 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%.</p>	<p>1. Payment of taxes. 2. Making up loss for preceding years. 3. Setting aside 10% for legal reserve, <u>except for when accumulated legal reserve has reached the Company's paid-in capital.</u> 4. Appropriating or reversing special reserve by government officials or other regulations. 5. <u>The remaining, plus the previous year's unappropriated earnings, shall be distributed according to the distribution plan proposed by the board of directors, under the dividend policy in Paragraph two of this Article and submitted to the shareholders' meeting for approval.</u> Because the company is a <u>capital intensive industry and continues to operate in its growth phase</u>, 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%.</p>	<p>comply with the amendments of the Company Act and be consolidated into Article No. 21-1.</p>
<p>25</p>	<p><u>...on June 15, 2011 for the thirty-fifth time.</u></p>	<p><u>...on June 15, 2011 for the thirty-fifth time and on June 7, 2016 for the thirty-sixth time.</u></p>	<p>Added date of revision of Articles of Incorporation</p>

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 10,255,262,799 shares were represented at the time of voting (including 5,949,293,537 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
<p>Votes in favor : 9,047,586,980 votes (including 4,858,736,836 shares voted via electronic transmission)</p>	<p>88.22%</p>
<p>Votes against : 2,958,090 votes</p>	<p>0.03%</p>

(including 2,958,090 shares voted via electronic transmission)	
Votes invalid : 0 vote (including 0 share voted via electronic transmission)	0.00%
Votes abstained: 1,204,717,729 votes (including 1,087,598,611 shares voted via electronic transmission)	11.75%

IV. Status Reports

- (1) 2015 business operations
Acknowledged
- (2) Audit Committee’s report of 2015 audited financial reports
Acknowledged
- (3) 2015 distributable compensation for employees and directors
Acknowledged
- (4) The status of Private Placement
Acknowledged
- (5) The issuance of Corporate Bonds
Acknowledged
- (6) The status of the 16th share repurchase program
Acknowledged

V. Approval Items

- (1) The Company’s 2015 business report and financial statements
 - 1) The Company’s 2015 Annual Business Report and financial statements have been approved by the 5th meeting of the Board of Directors, 13th term, and reviewed by the Audit Committee. The Audit Committee’s report was issued accordingly.
 - 2) Please refer to the 2015 Annual Business Report (Attachment 1) and UMC’s website (www.umc.com) for financial statements.

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 10,257,815,002 shares were represented at the time of voting (including 5,949,293,537 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor : 9,082,024,885 votes (including 4,792,912,299 shares voted via electronic transmission)	88.54%
Votes against : 1,467,797 votes (including 1,456,917 shares voted via electronic transmission)	0.01%
Votes invalid : 10,715 vote (including 0 share voted via electronic transmission)	0.00%
Votes abstained: 1,174,311,605 votes (including 1,154,924,321 shares voted via electronic transmission)	11.45%

(2) The Company’s 2015 surplus earnings distribution

- 1) The Company’s 2015 Surplus Earnings Distribution Chart was approved by the 5th meeting of the board of directors, the 13th term, and reviewed by the Audit Committee. The Audit Committee’s report was issued accordingly.
- 2) Please refer to the 2015 Surplus Earnings Distribution Chart (Attachment 4).
- 3) The dividend will be paid in cash with calculation rounded down to the nearest one NTD (any amount under one NTD will be discarded). The remaining fraction will be incorporated into Equity of the Company.
- 4) In the event of any change in the number of outstanding shares resulting from the buyback of the Company’s common stock, transfer, conversion or cancellation of the treasury shares, the exercise of the employee stock options or the conversion of convertible bonds, 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.

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 10,257,815,002 shares were represented at the time of voting (including, 5,949,293,537 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor : 9,149,924,419 votes (including 4,860,501,833 shares voted via electronic transmission)	89.20%
Votes against : 1,486,704 votes (including 1,486,704 shares voted via electronic transmission)	0.01%
Votes invalid : 13,208 vote (including 0 share voted via electronic transmission)	0.00%
Votes abstained: 1,106,390,671 votes (including 1,087,305,000 shares voted via electronic transmission)	10.79%

VI. Discussion Items (II)

- (1) To propose the issuance plan of private placement for common shares, ADR/GDR or CB/ECB, including Secured or Unsecured Corporate Bonds. The amount of shares issued or convertible is proposed to be to no more than 10% of registered capital.
 - 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 1,275,813,291 shares), and it is proposed to authorize the Company's Board to determine the amount of actual shares issued based on status of capital markets.

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 1,275,813,291 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: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 10,257,815,002 shares were represented at the time of voting (including, 5,949,293,537 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor : 9,144,788,885 votes (including 4,855,366,299 shares voted via electronic transmission)	89.15%
Votes against : 6,624,123 votes (including 6,624,123 shares voted via electronic transmission)	0.06%
Votes invalid : 10,715 vote (including 0 share voted via electronic transmission)	0.00%
Votes abstained: 1,106,391,279 votes (including 1,087,303,115 shares voted via electronic transmission)	10.79%

VII. Extraordinary Motions: None

VIII. Adjournment: Meeting ended at 9:40 am

Attachments

Attachment 1

United Microelectronics Corporation 2016 Annual Business Report

Dear Shareholders,

In 2015, the global economy faced sluggish growth due to high debt levels, stagnant inflation, and unhealthy unemployment figures. Although oil prices have declined and have been less volatile, China's economic slowdown and inconsistent approaches towards the interest rate policies among major economic powers have dampened overall consumer confidence, which negatively influenced IC inventory levels during the second half of 2015 and impacted UMC's revenue growth. However, due to continuous technological breakthroughs, productivity enhancements, and customer collaboration efforts bearing fruit, UMC's 2015 full year revenue still maintained steady growth. UMC's total foundry wafer shipments grew 5.2% over 2014, reaching 5.86 million 8-inch equivalents at 89.8% capacity utilization. Within our New Business segment, we continued to drive operational efficiencies and completed Topcell's merger into Motech. UMC's consolidated revenue increased to NT \$144.83 billion, with gross margin at 21.9% and operating margin of 7.5%. Net income attributable to shareholders of the parent was NT \$13.45 billion, with an EPS of NT\$1.08 and ROE of 6.0%.

Technology and Capacity Commitment

UMC continues to deliver the most comprehensive foundry solutions, with commitment to advanced technology R&D and capacity expansion. 28nm accounted for 10.3% of 2015 revenue, raising 40nm and below technology contribution to 34.0% for the year. In addition to 300mm capacity expansion in Taiwan, we are also building a new 300mm fab in Xiamen, China to help satisfy customers' future wafer demands. This fab is scheduled to enter production by the end of 2016 on 40nm and 55nm process technologies. UMC will further explore future expansion sites in Asia, which offers convenient time zone advantages and geographical risk mitigation, while directly benefitting from rising chip demand in the Asia Pacific region.

In 2015, UMC invested NT\$12.18 billion on R&D and manufacturing capabilities. Our 28nm production solutions delivered world-class performance in speed and power-saving, elevating the competitive of our 28nm customers. In 14nm process technology, UMC continues to

enhance internal R&D FinFET technology, with active ongoing collaboration with a lead customer to complete the development of 14nm high performance FinFET devices. Breakthrough yields have already been achieved for 14nm SRAM. To expand our specialty technology applications, we have begun qualifying our 40nm embedded flash memory technology, with 28nm embedded flash in development with customers. We have also reduced the chip area for 55nm high voltage technology and incorporated higher density SRAM to serve the high-end liquid crystal display market. In terms of 3D IC, UMC's TSV production provides customers superior performance for graphic card applications. For micro-electro-mechanical (MEMS) technology, UMC's customized MEMS microphone element now competes with world-class ICs, with over 200 million units shipped to date. We are also partnering with technology institutes, equipment suppliers and material vendors for joint development on a number of next generation technologies. Improvements in ultra-low energy technologies and silicon IP solutions will help create new possibilities for the internet-of-things (IoT), provide new direction in process development, and enable unique IC applications with distinctive features.

Besides R&D investment, UMC has continued capacity expansion for advanced and specialty technologies. In 2015, capital expenditures reached US\$1.9 billion, which focused on increasing Tainan's Fab 12A phase 5 capacity. We also allocated CAPEX for Suzhou Fab 8N and Singapore Fab 12i capacity expansion and the construction of Fab 12X in Xiamen. At the same time, UMC became Taiwan's first foundry to earn ISO 15408-EAL6 certification for rigorous security protection during the manufacturing process, with Singapore Fab 12i also being certified in 2015. This qualification will help our customers applying for certification of their security products to save costly time and resources. UMC has also qualified ICs used in automotive application for numerous customers and products, which has resulted in substantial annual revenue growth from this sector. These unique advantages in technology and manufacturing know-how enable customers to accelerate their product development and time-to-market.

Corporate Governance Leadership

UMC is active in corporate governance and corporate social responsibility, effectively preserving shareholder rights and interests while creating a better environment for our future. With the establishment of "Remuneration Committee", "Audit Committee" and "Capital Budget Committee", UMC aims to strengthen its corporate governance to ensure structured supervisory oversight that is monitored by the Board of Directors and management team. In 2015, UMC earned its thirteenth consecutive "ROC Corporate Environmental Award" and eighth consecutive "Corporate Sustainability Report Award". UMC was ranked second in the 2015 Channel NewsAsia Sustainability Top 100 ranking and top among all Taiwan

companies. We were listed as a Climate Disclosure Leadership Index (CDLI) component by Carbon Disclosure Project (CDP), earning the highest Carbon Disclosure Score among Taiwan semiconductor companies for the third consecutive year and the highest ranking for Carbon Performance Bond among all Taiwanese enterprises. UMC was also selected by the Dow Jones Sustainability Index (DJSI) as a global component for the eighth consecutive year and listed for both the DJSI-World and DJSI-Emerging Markets indexes, confirming UMC's international recognition in sustainability performance.

UMC's expertise in R&D and manufacturing, supported by a healthy financial structure and decades of IC industry experience, will help us weather any competitive challenges faced in the foundry landscape. Looking ahead, UMC's management team will implement four key strategies: 1) Focus on the completion of differentiated advanced manufacturing processes and special technology development; 2) Continue to strengthen manufacturing capabilities to shorten lead times and enhance productivity; 3) Expand sales and marketing to further diversify our customer pool, and 4) Maximize employee potential and synergies to strive for operational excellence.

We would like to take this opportunity to thank our shareholders for the continuous support and belief in UMC. UMC's management team will continue to elevate our overall competitiveness in process technology and foundry services for the best interests of our customers, so that we may provide maximum value to our shareholders.

Chairman: Stan Hung

CEO: Po-Wen Yen

CFO: Chitung Liu

*Attachment 2***Audit Committee's Review Report**

The Board of Directors has prepared and submitted to us the Company's 2015 Business Report, Financial Statements, and proposal for surplus earnings distribution. Financial Statements were audited by Ernst & Young and issued an audited report accordingly. We, as the Audit Committee of the Company, have reviewed the Business Report, Financial Statements, and proposal for surplus earnings distribution and do not find any discrepancies. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

United Microelectronics Corporation

Chairperson of the Audit Committee: Chun-Yen Chang

March 16, 2016

*Attachment 3***Transfer of Repurchased Shares to Employees, Phase XVI 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 XVI 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 2nd meeting, 13th 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 Bank of Taiwan 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 4

UMC 2015 Surplus Earnings Distribution Chart

Unit: NT\$

Item	Amount		Note
	Subtotal	Total	
2015 Earning before Tax	13,946,217,367	13,946,217,367	
<i>Minus:</i> Income Tax Expense	497,593,125		
Net Profit after Tax		13,448,624,242	
<i>Minus:</i> Appropriated for Legal Reserve	1,344,862,424		
<i>Minus:</i> Actuarial Gain (Loss) on Defined Benefit Plans	35,220,695		
<i>Plus:</i> Previous Year's Unappropriated Earnings	29,673,722,561		
<i>Minus:</i> Adjustment of Retained Earnings Accounted for Under the Equity Method	105,462,131		
Earnings Available for Distribution (Cumulative)		41,636,801,553	
Items for Distribution:			
Cash Dividends to Shareholders	6,906,973,103		Dividend per share at approximately NT\$0.55
Total Distribution		6,906,973,103	
End of Term Unappropriated Earnings		34,729,828,450	

Note: 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. 2015) and then the previous year's when not sufficient.

Chairman: Stan Hung

CEO: Po-Wen Yen

CFO: Chitung Liu