



United Microelectronics Corporation

2018 Annual General Meeting

Meeting Agenda

Date: June 12, 2018

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**United Microelectronics Corporation
2018 Annual General Meeting Procedure**

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United Microelectronics Corporation 2018 Annual General Meeting Agenda

1. Time: Tuesday, June 12, 2018 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) 2017 business operations
 - (2) Audit Committee's report of the 2017 audited financial reports
 - (3) 2017 distributable compensation for employees and directors
 - (4) The status of private placement
 - (5) The issuance of corporate bonds
 - (6) The status of rectification plans of Subsidiary Nexpower Technology Corp.'s endorsement/guarantee amount exceeding the limit to SocialNex Italia 1 s.r.l.
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7. Approval Items
 - (1) The Company's 2017 business report and financial statements
 - (2) The Company's 2017 earnings distribution
8. Election Item
 - To elect the Company's 14th term of Directors
9. Discussion Items
 - (1) To amend the Company's Articles of Incorporation
 - (2) 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 no more than 10% of registered capital
 - (3) To release the newly elected Directors from non-competition restrictions
10. Extraordinary Motions
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Status Reports

- (1) 2017 business operations
 - 1) President SC Chien and President Jason Wang report.
 - 2) Please refer to the 2017 Annual Business Report (Attachment 1).

- (2) Audit Committee's report of 2017 audited financial reports
Please refer to the Audit Committee's Review Report (Attachment 2) and UMC's website (www.umc.com) for 2017 Audited Reports by Independent Auditors.

- (3) 2017 distributable compensation for employees and directors
 - 1) Per the Company's Articles of Incorporation article 21-1, "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."
 - 2) Company to distribute NT\$1,032,324,273 as employee cash compensation and NT\$11,451,937 as directors' compensation.

- (4) The status of private placement
 - 1) The Company's 2017 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 1,262,431,871 shares).
 - 2) Considering market conditions, the Board of Directors resolved on March 7, 2018, to terminate the private placement offering.

- (5) The issuance of corporate bonds
On July 26, 2017, the Board of Directors resolved to issue domestic unsecured corporate bonds for the total amount of no more than NT\$10,000 million for repaying debts. The Company completed the issuance of the 2nd 2017 Domestic Unsecured Corporate Bonds for the amount of NT\$5,400 million on October 3, 2017.
Details of the 2nd 2017 Domestic Unsecured Corporate Bonds:
The total amount issued was NT\$5,400 million with 5-year and 7-year bonds.
The amount of the 5-year bond is NT\$2,000 million with an interest rate of 0.94% and the amount of the 7-year bond is NT\$3,400 million with an interest rate of 1.13%.
Both bonds pay interest annually based on simple interest rate and the principal will be

paid back at maturity.

- (6) The status of rectification plans of subsidiary Nexpower Technology Corp.'s endorsement/guarantee amount exceeding the limit to SocialNex Italia 1 s.r.l.
- 1) According to Financial Supervisory Commission FSC certificate No.1060009330 that was executed on March 31, 2017.
 - 2) The allowable amount of subsidiary Nexpower Technology Corp.'s endorsement/guarantee to SocialNex Italia 1 s.r.l was exceeded due to change of net worth. The Board of UMC resolved to provide endorsement/guarantee to SocialNex Italia 1 s.r.l on April 26, 2017. On June 20, 2017, UMC provided endorsement/guarantee to SocialNex Italia 1 s.r.l for the amount of EUR 557,756.47 directly through Bank Guarantee from HSBC. The responsibility of Nexpower Technology Corp.'s endorsement/guarantee has been released and the rectification plan is completed.

- (7) The status of the 18th share repurchase program

Explanation:

Instance	18 th Round
Date of Board Resolution	2018.3.7
Purpose	For cancellation
Buyback period	2018.3.8~2018.5.7
Price range (NT\$)	9.85~21.30
Projected shares to buyback (Shares)	200,000,000 Common shares
Classification and executed volume (Shares)	200,000,000 Common shares
Executed amount (NT\$)	3,129,182,054
Cancellation and transfer volume (Shares)	0
Cumulative holding (Shares)	600,000,000
Cumulated holding as a percentage of total issued shares (%)	4.75%
Reasons for not fully execute the buyback amount	N/A

Approval Items

(1) The Company's 2017 business report and financial statements

- 1) The Company's 2017 Annual Business Report and financial statements have been approved by the 18th 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 2017 Annual Business Report (Attachment 1) and UMC's website (www.umc.com) for financial statements.
- 3) It is proposed to approve the 2017 Annual Business Report and financial statements.

Resolution:

(2) The Company's 2017 earnings distribution

- 1) The Company's 2017 Earnings Distribution Chart was approved by the 18th 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 2017 Earnings Distribution Chart (Attachment 3).
- 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.
- 5) It is proposed to approve the 2017 Earnings Distribution Chart.

Resolution:

Election Item

(1) To elect the Company's 14th term of Directors

Explanation:

- 1) The Company will elect the 14th term of Directors during the 2018 annual general meeting. Nine directors will be considered for the Board. The term for elected Directors is three years, starting from June 12th, 2018 to June 11th, 2021.
- 2) The Company will establish an R.O.C. Audit Committee pursuant to The R.O.C. Securities and Exchange Act to replace the supervisors. The R.O.C. Audit Committee is composed of all independent directors.
- 3) Please refer to Attachment 4 for personal information of Director Candidates.
- 4) Please Vote.

Discussion Items

- (1) To amend the Company's Articles of Incorporation.
 - 1) According to HSPB Investment Division certificate No.1060018575 that was executed on July 11, 2017 and HSPB Business Division certificate No.1060019288 that was executed on July 17, 2017.
 - 2) In accommodation of the Ministry of Economic Affairs Business Department's promotion of business category fully coded, we applied to code our original registered business category, and we amended Article 2 to add business category codes.
 - 3) In accommodation of the establishment of the Nomination Committee, we add Article 13-2.
 - 4) Please refer to Attachment 5 for the Table Comparing the Original and the Amended Articles.

Resolution:

- (2) 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.

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 1,262,431,871 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 1,262,431,871 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:

(3) To release the newly elected directors from non-competition restrictions

1) According to Article 209, Company Act, 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) The Company's director has invested, managed or has been a director for companies of which business scope is similar to the Company's. It will be proposed to release such directors from non-competition restrictions.

3) Newly elected directors' competitive activities are listed below:

Title	Name	Position of other companies
Director	Chung-Laung Liu	Director of Macronix International Co., Ltd. Independent director of Powerchip Semiconductor Corp.
Director	SC Chien	Director of United Semiconductor (XIAMEN) Co., Ltd. Director of Wavetek Microelectronics Corporation
Director	Jason Wang	Director of Wavetek Microelectronics Corporation

Resolution:

Extraordinary Motions

Adjournment



Attachments

Attachment 1

United Microelectronics Corporation 2017 Annual Business Report

Dear Shareholders,

In 2017, the global economy continued to recover. However, high debt and low inflation environment within major economies remains unresolved. The US president also launched a tariff war that may lead to protectionism, further exacerbated by the uncertainty of the geopolitical black swan event. As a result, business climate and investor confidence were disrupted. Nevertheless, the global semiconductor industry has grown, while the speed of large-scale mergers and acquisitions slowed down as the trend of semiconductor consumption appears to be on an upward trajectory.

UMC's revenue has reached a full-year record high due to continued breakthroughs in technology, production capacity and customer development. In the foundry segment, annual shipments amounted to approximately 6.83 million 8-inch equivalent wafers, growing 10.8% year on year, while capacity utilization rate hit 94.4%, showing an increase of 5.8 percentage point year-on-year. In 2017, UMC's annual revenue was NT\$149.285 billion, gross profit margin was 18.1%, operating margin was 4.4%, and full-year net income reached NT\$9,629 million, leading to an earnings per share of NT\$0.79. UMC is committed to providing its customers with complete wafer manufacturing solutions, working closely with partners throughout the supply chain while continuing technology development and capacity expansion. In February 2017, 14nm entered mass production, and the technology node is now running at full utilization. For the year, 40nm and below technologies accounted for 45.4% of our wafer business. UMC's strategic Fab 12X plant in Xiamen, China, demonstrated excellent product yields and is the first Chinese production fab that offers both 28nm Poly/SiON and HK/MG volume manufacturing. UMC's 12-inch wafer production capabilities and process technologies are strategically located across Taiwan, Singapore and China, as the same time zone will help integrate customer requirements, business fulfillment, and process technology integration, aiming to increase our exposure in the Chinese IC supply chain and enhance our competitive edge.

In 2017, UMC's research and development expenditures amounted to NT\$13.67 billion, and along with the expansion of the Tainan Science Park facilities, we continued to recruit and cultivate R&D talent. UMC's internally-developed 14nm FinFET technology has reached



advanced volume production. At 28nm, UMC has successfully developed its 28HPC^{U+} process. Its low power consumption is in line with industry standards and has entered pilot production.

UMC also maximized the value of its 28nm process and worked with customers to develop a 22nm ultra-low-power/ultra-low leakage process technology that is more competitive in terms of chip performance and cost structure. In specialty technologies, UMC delivered an industry leading 40nm high-voltage technology solution which has entered volume production to fulfill demand in liquid crystal displays as well as organic light-emitting display markets. UMC's 40nm Silicon Storage Technology (SST) embedded non-volatile memory process platform offers low power consumption, high reliability and durability with excellent data retention characteristics that satisfies automotive, industrial and consumer applications. In addition, UMC has also collaborated with leading manufacturers, advanced equipment suppliers, universities and research institutes around the world to develop a number of process-critical technologies. Combining ultra-low energy-consumption technology with IP solution, we can provide customers with all-round competitive advantages in the layout, application and development of Internet of Things (IoT) related chips.

In 2017, UMC's capital expenditure was approximately US\$1.4 billion, which was mainly invested in advanced technology, R&D, equipment and expansion activities in Tainan Fab 12A, China's Xiamen Fab 12X and across our 8-inch facilities. UMC is also working with strategic partners to develop memory technologies. During the year, UMC became the first automotive foundry supplier with ISO 22301 certification, highlighting our business continuity management, which combined with UMC's comprehensive "Auto Service Project," introduced zero defects into the manufacturing process to help customers meet the quality standard of zero defects. Growing chip demand in the automotive electronics sector has increased our exposure to globally renowned automakers in Japan, Europe, and Asia.

UMC has long been concerned about the performance of corporate governance and corporate social responsibility. In strengthening corporate governance, the board of directors has set up a "remuneration committee," an "audit committee" and a "capital budget committee" dedicated to supervising and overseeing the management of our operations. The evaluation by the board of directors and the newly established "Nomination Committee" will further promote the transparency of corporate governance and operations to ensure the best interests of our shareholders. In terms of fulfilling corporate social responsibility, UMC became the first company to receive the "National Sustainable Development Award" for the third consecutive year, and UMC also received the "Enterprise Environmental Award" and



“Corporate Perpetual Report Award.” Recognized through the “Green Procurement Award” and “Excellent Safety and Health Unit Awards,” UMC has also been listed on the Dow Jones Sustainability Indexes (DJSI-World) for 10 consecutive years. We lead the industry in the International Carbon Disclosure Project (CDP), and were rated as leaders for multiple other projects. In addition, UMC's second “Green Award” received a positive response from environmental groups, media, suppliers and customers. Our active participation in corporate social responsibility will help foster a more environmentally friendly environment, to allow sustained development for future enterprises.

UMC has excellent R&D and manufacturing capabilities, a sound financial structure, and many years of experience in the semiconductor industry. We are confident that we will be able to overcome the competitive challenges of the foundry industry and continue to grow our revenue and profitability. Looking ahead, UMC’s operating team will focus on (1) paying high attention to customers and striving to promote customer success; (2) sustained excellence in operations, motivating employees, developing technologies, comprehensively improving quality and productivity; (3) clarifying investment strategies, and focusing on marketing and market share enhancement; (4) Commitment to improving shareholder rights and enhancing organizational effectiveness.

We would like to express our gratitude to all shareholders for their support and love for UMC over the years. The management team will continue to strengthen UMC's advantages and improve technology, quality and customer service to enhance the interests of all shareholders, while optimizing the operating performance of the company to reach new heights.

Chairman: Stan Hung

President: SC Chien & Jason Wang

CFO: Chitung Liu



Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared and submitted to us the Company's 2017 Business Report, Financial Statements, and proposal for earnings distribution. Financial Statements were audited by Ernst & Young and they issued an audited report accordingly. We, as the Audit Committee of the Company, have reviewed the Business Report, Financial Statements, and proposal for 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: Chung-Laung Liu

March 7, 2018



Attachment 3

UMC 2017 Earnings Distribution Chart

Unit: NT\$

Item	Amount		Note
	Subtotal	Total	
2017 Earning before Tax	10,424,770,677	10,424,770,677	
<i>Minus:</i> Income Tax Expense	796,036,560		
Net Profit after Tax		9,628,734,117	
<i>Minus:</i> Appropriated for Legal Reserve	962,873,412		
<i>Minus:</i> Actuarial Gain (Loss) on Defined Benefit Plans	151,653,302		
<i>Plus:</i> Previous Year's Unappropriated Earnings	31,640,609,414		
<i>Minus:</i> Adjustment of Retained Earnings Accounted for Under the Equity Method	2,954,197,329		
Earnings Available for Distribution (Cumulative)		37,200,619,488	
Items for Distribution:			
Cash Dividends to Shareholders	8,557,023,101		Dividend per share at approximately NT\$0.70
Total Distribution		8,557,023,101	
End of Term Unappropriated Earnings		28,643,596,387	

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 the last-in first-out method when distributing earnings, which is to say, first distribute earnings from the most current year (i.e. 2017) and then the previous year's when not sufficient.

Chairman: Stan Hung

President: SC Chien & Jason Wang

CFO: Chitung Liu

Attachment 4

Director Candidate List

Title	Name	Holding Shares	Education & Experience	Current Position
Independent Director	Cheng-Li Huang	0	-Ph.D. of Business School, the University of Warwick -Professor, Department of Accounting, Tamkang University -Chairperson, Department of Accounting, Tamkang University -Controller, Tamkang University	-Professor, Department of Accounting, Tamkang University -Independent director, United Microelectronics Corporation
Independent Director	Wenyi Chu	0	-Ph.D. of London Business School -Professor, Department of Business Administration, National Taiwan University -Chairperson, Department of Business Administration, National Taiwan University	-Professor, Department of Business Administration, National Taiwan University -Independent director, United Microelectronics Corporation
Independent Director	Lih J. Chen	0	-Ph.D. in Physics, University of California, Berkeley -Academician, Academia Sinica - Distinguished Chair Professor, National Tsing Hua University -President, National Tsing Hua University -Deputy Minister, National Science Council	- Distinguished Chair Professor, National Tsing Hua University -Independent director, Gintech Energy Corporation
Independent Director	Jyuo-Min Shyu	0	-Ph.D. in Electrical Engineering and Computer Science, University of California, Berkeley -Professor, Department of Computer Science, National Tsing Hua University -Minister, Ministry of Science and Technology -President, Industrial Technology Research Institute -Dean, College of Electrical Engineering and Computer Science, National Tsing Hua University	-Professor, Department of Computer Science, National Tsing Hua University -Independent director, Inventec Corporation -Director, Iridium Medical Technology Co., Ltd -Director, Amwise Diagnostic PTE. LTD.

Title	Name	Holding Shares	Education & Experience	Current Position
Director	Chung Laung Liu	0	-Sc.D. of Massachusetts Institute of Technology -Academician, Academia Sinica -Honorary Chair Professor, National Tsing Hua University -President, National Tsing Hua University	-Independent director, United Microelectronics Corporation -Chairperson, TrendForce Corp. -Independent director, Microelectronics Technology Inc. -Independent director, Powerchip Technology Corporation -Independent director, Far Eastone Telecommunications Co., Ltd -Director, Macronix International Co., Ltd. -Director, UBI Pharma Inc. -Supervisor, Andes Technology Corporation
Director	Ting-Yu Lin	12,547,222	-Master in International Finance, Meiji University -Chairperson, Sunrox International Inc.	-Chairperson, Sunrox International Inc. -Director, United Microelectronics Corporation
Director	Stan Hung	16,341,452	-Bachelor in Accounting, Tamkang University -Chairperson and Chief Strategy Officer, United Microelectronics Corporation	-Chairperson and Chief Strategy Officer, United Microelectronics Corporation -Chairperson and Chief Strategy Officer, Faraday Technology Corporation
Director	Hsun Chieh Investment Co. Representative: SC Chien	441,371,000 1,894,648	-Bachelor in Chemical Engineering, National Taiwan University -President, United Microelectronics Corporation	-President, United Microelectronics Corporation -Director, United Microelectronics Corporation -Director, Epistar Corp. -Director, United Semiconductor (XIAMEN) Co., Ltd. -Director, Wavetek Microelectronics Corporation
Director	Silicon Integrated Systems Corp. Representative: Jason Wang	315,380,424 0	-Business Administration, San Jose State University -President, United Microelectronics Corporation -Vice President, Trident Microsystems, Inc.	-President, United Microelectronics Corporation -Director, United Microelectronics Corporation -Director, Wavetek Microelectronics Corporation

Reason of continuing to nominate candidates who have served consecutively as independent directors for three consecutive terms as independent directors of the Company

The Company continued to nominate Cheng-Li Huang as independent director candidate for the fourth term for the following reason:

Taking into consideration the characteristics of the semiconductor industry and the Company's needs and enabling independent directors to follow the system to perform their duties, since 2015 the Company has established a practice of setting the maximum limit of an independent director to four terms to enable him/her to fully participate in company operations, fully contribute his/her experience, and maintain his/her independence during his/her tenure.

Attachment 5

Table Comparing the Original and the Amended Articles of Articles of Incorporation

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)	Note
2	<p>The scope of business of the Company shall be as follow:</p> <ol style="list-style-type: none"> 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; 9. Metals, derived fuels and chemical products that are generated simultaneously from the company's manufacturing process; 10. Management consulting service in regard to sustainable development, energy/resources conservation technologies and semiconductor fab related affairs; 11. Clearance, recycle and disposal of waste and manufacturing outputs; research and development, design, production, sales, promotion and after sale service of all above items and their application products; 12. Also engage in export/import trade business in relation to the business of the Company. 	<p>The scope of business of the Company shall be as follow:</p> <p><u>CC01080 Electronic Parts and Components Manufacturing</u> <u>I501010 Product Designing</u> <u>F401010 International Trade</u> <u>C801990 Other Chemical Materials Manufacturing</u> <u>C802990 Other Chemical Products Manufacturing</u> <u>CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified</u> <u>IG03010 Energy Technical Services</u> <u>I199990 Other Consultancy</u> <u>J101090 Waste Collecting and Disposing</u></p> <ol style="list-style-type: none"> 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; 9. Metals, derived fuels and chemical products that are generated simultaneously from the company's manufacturing process; 10. Management consulting service in regard to sustainable development, energy/resources conservation technologies and semiconductor fab related affairs; 11. Clearance, recycle and disposal of waste and manufacturing outputs (<u>Only for</u> 	<p>Business Category Codes added in accommodation of the Ministry of Economic Affairs Business Department's promotion of business category fully coded</p>

		waste disposal processing outside of the science park); Research and development, design, production, sales, promotion and after sale service of all above items and their application products; 12. Also engage in export/import trade business in relation to the business of the Company.	
13-2	newly added Article	<u>The Company established a Nomination 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 Nomination Committee Charter.</u>	Article added for establishment of Nomination Committee
25	These Articles of Incorporation were enacted on Feb. 21, 1980 , ... , and on June 8, 2017 for the thirty-seventh time.	These Articles of Incorporation were enacted on Feb. 21, 1980 , ... , on June 8, 2017 for the thirty-seventh time, <u>and on June 12, 2018 for the thirty-eighth time.</u>	Added date of revision of Articles of Incorporation

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 Attendee 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 through the Shareholders' Meeting.

Appendix 2

(Translation)
Articles of Incorporation
of
United Microelectronics Corporation

Last Updated: June 8, 2017

Section I General Provisions

Article 1 The Company shall be incorporated as a company limited by shares under the Company Act 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;
9. Metals, derived fuels and chemical products that are generated simultaneously from the company's manufacturing process;
10. Management consulting service in regard to sustainable development, energy/resources conservation technologies and semiconductor fab related affairs;
11. Clearance, recycle and disposal of waste and manufacturing outputs; Research and development, design, production, sales, promotion and after sale service of all above items and their application products;
12. 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 Act.
- 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 Act.

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. The 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 Act 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. The 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. The 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 or her.

Article 11 Unless otherwise provided in the Company Act, Securities and Exchange Act or other Laws, resolution(s) shall be made at the meeting attended by shareholders holding and representing a 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 a nominating system from persons of legal capacity to serve a term of three years. A director 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 Audit Committee Charter, 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 the period of duty shall be separately determined by the Remuneration Committee Charter.

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 the 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 there is no such designation, the directors shall elect one from amongst 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 what is demanded by ROC Company Act, 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 making up of loss 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 the 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 supervisors 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 and 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 Act 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 21-1 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 after offsetting any cumulative losses. The aforementioned employees' compensation will be distributed in shares or cash. The employees of the Company's subsidiaries who fulfill specific requirements stipulated by the Board of Directors may be granted such compensation. Directors may only receive compensation in cash. 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 the aforementioned employees' and director's compensation and report to the shareholders' meeting for such distribution.

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 for loss in preceding years.
3. Setting aside 10% for legal reserve, except for when accumulated legal reserve has reached the Company's paid-in capital.
4. Appropriating or reversing special reserve by government officials or other

regulations

5. The remaining, plus the previous year's unappropriated earnings, 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 conducts business in a capital intensive industry and continues to operate in its growth phase, the dividend policy of the Company shall be determined pursuant to factors, such as the investment environment, its funding requirements, domestic and overseas competitive landscape and its capital expenditure forecast, as well as shareholders interest, balancing dividends and UMC's long term financial planning. 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 Act, Securities and Exchange Act or other Laws shall govern.

Article 25 These Articles 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, on June 13, 2008 for the thirty-fourth time, on June 15, 2011 for the thirty-fifth time, on June 7, 2016 for the thirty-sixth time, and on June 8, 2017 for the thirty-seventh time.

Appendix 3

United Microelectronics Corporation Rules for Election of Directors

Article 1: The Company's directors shall be elected in accordance with the Rules specified herein.

Article 2: The election for the Company's directors shall be conducted by means of a candidate nomination system and of accumulative voting mechanisms. The number of voting rights attached to each share is equal to the seats to be elected and may be cast in favor of a single or multiple candidates in whole or in part.

Article 2-1: The Company shall, prior to the closing period applicable to the corresponding shareholders' meeting, announce the period for submitting the nomination of directors candidates, the seats of directors to be elected, the place for submitting nomination and other required items.

The Company's Board of Directors or any shareholder who holds one percent or more of total issued shares is eligible to submit slates of candidates of directors of next tenure to be considered for nomination according to the Company Act. Qualifications of the candidates of the Company's directors are subject to the relevant laws and regulations.

Article 3: The Company's directors shall be elected at a shareholders' meeting from the slates of nominated candidates. The number of voting rights attached to each share for electing independent directors and non-independent directors shall be calculated separately according to the corresponding seats provided in the Articles of Incorporation of the Company and related announcements made hereunder. Those candidates who acquire more votes shall win the seats of independent directors, non-independent directors, as applicable. If two or more candidates who acquire the same number of votes and the total number of electees would exceed the specified seats to be elected, such candidates shall draw lots to decide who should win the seats. In the event any one is absent, the chairperson shall draw lots on her/his/its behalf.

Article 4: The shares held by each shareholder are based on the Company's shareholders roster.

Article 5: The Board of Directors shall print the ballots, affixed by the stamp of the Board of Directors of the Company and specifying the voting rights that the voter is entitled to in the election. The ballots will be dispatched to the shareholder present at the shareholders' meeting.

Article 6: Before the election begins, the chairperson shall appoint a scrutinizer and ballot counter(s) to perform their respective responsibilities.

Article 7: The Board of Directors shall set up the ballot box and have such box checked by the scrutinizer in public before the election of directors.

Article 8: If the voter determines to cast his/her/its vote(s) on any electee who is a shareholder of this Company, he/she/it shall fill in the “candidate” column in the ballot the names and shareholder numbers of such candidate; if the electee is not a shareholder of this Company, he/she/it shall fill in the name and ID of such candidate. Only when the electee is a government or institutional shareholder, the voter shall fill in the “candidate” column in the ballot (i) the name of such government or institutional shareholder, or (ii) the names of such government or institutional shareholder and their representatives. When there are multiple representatives, the names of those representatives shall be filled in the same column as well.

Article 9: A vote shall be deemed void if the ballot representing such vote has the following conditions:

1. the ballot is not in the standard template prepared by the Board of Directors;
2. the ballot is blank without any handwriting;
3. the ballot is unrecognizable, such as from blurred handwriting or damaged ballots;
4. any of the handwriting of the electee name, shareholder number or the number of votes in the ballots is written over;
5. If the electee is a shareholder, his/her/its name or shareholder number filled in the ballot is inconsistent with the one registered in the shareholder roster; if the electee is not a shareholder, his/her/its name or ID/Uniform number filled in the ballot is incorrect;
6. The name of electee filled in the ballot is the same with other shareholders but no other identification, such as shareholder numbers or ID/Uniform number, is specified in the ballot;
7. Any of the handwriting, except for the names, shareholder numbers (or ID numbers) and cast votes, is filled in the ballots;
8. The number of electees elected in the ballots exceeds the seats to be elected which are specified in the shareholders’ meeting agenda handbook; or
9. The sum of votes filled in the ballots exceeds the total number that the voter is entitled to in the election.

Article 10: The ballots shall be counted immediately after the vote casting. The chairman shall announce the results of the election at the spot.

Article 11: The matters not provided in this rule shall be subject to the Company Act and

related regulations.

Article 12: The rule shall become effective after being approved at a shareholders' meeting.

The amendment shall be subject to the same procedure.

Appendix 4

Impact of Stock Dividend Distribution on Operating Results, Earnings per Share and Shareholders' Return on Investment

Not Applicable.

Appendix 5

UMC Directors' Shareholdings & Minimum Shareholdings Required

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

Common shares issued	12,624,318,715 shares
Legal holding of all directors in number of shares	160,000,000 shares

2. As of April 14, 2018, all board members' shareholdings are as follows:

Position	Name	Number of shares	Shareholding %
Chairman	Stan Hung	16,341,452	0.13%
Director	SC Chien (Representative of UMC Science and Culture Foundation)	10,000	0.00%
Director	Jason Wang (Representative of Silicon Integrated Systems Corp.)	315,380,424	2.50%
Director	Chitung Liu (Representative of Hsun Chieh Investment Co.)	441,371,000	3.50%
Director	Ting-Yu Lin	12,547,222	0.10%
Independent Director	Chung Laung Liu	0	0.00%
Independent Director	Cheng-Li Huang	0	0.00%
Independent Director	Wenyi Chu	0	0.00%

Note:

1. As of April 14, 2018, the total shareholdings of all directors are 785,650,098 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.