



United Microelectronics Corporation

2019 Annual General Meeting

Meeting Agenda

Date: June 12, 2019

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THIS IS A TRANSLATION OF THE AGENDA FOR THE 2019 ANNUAL GENERAL 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
2019 Annual General Meeting Procedure**

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5. Approval Items
6. Discussion Items
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United Microelectronics Corporation 2019 Annual General Meeting Agenda

1. Time: Wednesday, June 12, 2019 at 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) 2018 business operations
 - (2) Audit Committee's report of the 2018 audited financial reports
 - (3) 2018 distributable compensation for employees and directors
 - (4) The status of private placement
 - (5) The status of the 19th share repurchase program
 - (6) The status of HeJian Technology (Suzhou) Co., Ltd., a subsidiary of the Company, to issue an initial public offering (IPO) of RMB denominated ordinary shares (A-shares) on the Shanghai Stock Exchange
7. Approval Items
 - (1) The Company's 2018 business report and financial statements
 - (2) The Company's 2018 earnings distribution
8. Discussion Items
 - (1) To amend the Company's "Acquisition or Disposal of Assets Procedure"
 - (2) To amend the Company's "Financial Derivatives Transaction Procedure"
 - (3) To amend the Company's "Loan Procedure"
 - (4) To amend the Company's "Endorsements and Guarantees Procedure"
9. Extraordinary Motions
10. Adjournment

Status Reports

- (1) 2018 business operations
 - 1) President SC Chien and President Jason Wang report.
 - 2) Please refer to the 2018 Annual Business Report (Attachment 1).

- (2) Audit Committee’s report of the 2018 audited financial reports
 Please refer to the Audit Committee’s Review Report (Attachment 2) and UMC’s website (www.umc.com) for 2018 Audited Reports by Independent Auditors.

- (3) 2018 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 NTD 1,400,834,932 as employees’ cash compensation and NTD 7,623,740 as directors’ compensation.

- (4) The status of private placement
 - 1) The Company’s 2018 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 6, 2019, to terminate the private placement offering.

- (5) The status of the 19th share repurchase program

Explanation:

Instance	19 th Round
Date of Board Resolution	2018.11.5
Purpose	For cancellation
Buyback period	2018.11.6~2019.1.5
Price range (NTD)	7.55~20.80
Projected shares to buyback (Shares)	300,000,000 Common shares
Classification and executed volume (Shares)	300,000,000 Common shares
Executed amount (NTD)	3,349,946,428
Cancellation and transfer volume (Shares)	300,000,000
Cumulative holding (Shares)	200,000,000
Cumulative holding as a percentage of total issued shares (%)	1.65%
Reasons for not fully executing the buyback amount	N/A

- (6) The status of HeJian Technology (Suzhou) Co., Ltd., a subsidiary of the Company, to issue an initial public offering (IPO) of RMB denominated ordinary shares (A-shares) on the Shanghai Stock Exchange
- 1) Proposal for HeJian Technology (Suzhou) Co., Ltd. (HeJian), a subsidiary of the Company, to apply for issuing an initial public offering (“IPO”) of RMB denominated ordinary shares (A-shares) on the Shanghai Stock Exchange to China Securities Regulatory Commission, which has been approved by the Board of Directors and the Extraordinary General Meeting on June 29th, 2018 and August 20th, 2018, respectively. HeJian has completed the submission process for A-share listing application materials, and the application is currently being reviewed.
 - 2) To meet the needs of the aforementioned submission process for A-share listing application, the resolution has been approved by the aforementioned Board of Directors and Extraordinary General Meeting to authorize the Company’s Chairman or his designated personnel, and/or the subsidiary’s board of directors or its designated personnel (applicable depending on the situation) modifying and entering into the Horizontal Agreement, issuing cash compensation commitment of tax, social insurance and housing fund, issuing the commitment letter of stable stock price, issuing other commitment letters, and issuing confirmation letter and related documents. The principle of market segmentation of the Horizontal Agreement the Company has entered into: the Company has the priority to lead the Company’s current markets except for the China market, and HeJian has the priority to lead the China market. Besides this, the Company promised that HeJian has the priority to lead the markets other than the Company’s current markets in response to the request of the local securities authority; if the local securities authority requires the Company to modify the Horizontal Agreement afterwards, the Company will report it to the Board of Directors after being authorized to enter into the Horizontal Agreement by the aforementioned Board of Directors and Extraordinary General Meeting.

Approval Items

(1) The Company's 2018 business report and financial statements

- 1) The Company's 2018 Annual Business Report and financial statements have been approved by the 7th meeting of the Board of Directors, 14th term, and reviewed by the Audit Committee. The Audit Committee's report was issued accordingly.
- 2) Please refer to the 2018 Annual Business Report (Attachment 1) and UMC's website (www.umc.com) for financial statements.
- 3) It is proposed to approve the 2018 Annual Business Report and financial statements.

Resolution:

(2) The Company's 2018 earnings distribution

- 1) The Company's 2018 Earnings Distribution Chart was approved by the 7th meeting of the board of directors, the 14th term, and reviewed by the Audit Committee. The Audit Committee's report was issued accordingly.
- 2) Please refer to the 2018 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 2018 Earnings Distribution Chart.

Resolution:

Discussion Items

(1) 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 August 29, 2018 (Ref. 1070331908) and November 26, 2018 (Ref. 1070341072).
- 2) Please refer to Attachment 4 for the Table Comparing the Original and the Amended Articles.

Resolution:

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

- 1) The Amendment is based on the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by SFC on November 26, 2018 (Ref. 1070341072) and the need of the company's operation.
- 2) Please refer to Attachment 5 for the Table Comparing the Original and the Amended Articles.

Resolution:

(3) To amend the Company's "Loan Procedure."

- 1) The Amendment is based on the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by SFC on March 7, 2019 (Ref. 1080304826) and the need of the company's operation.
- 2) Please refer to Attachment 6 for the Table Comparing the Original and the Amended Articles.

Resolution:

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

- 1) The Amendment is based on the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by SFC on March 7, 2019 (Ref. 1080304826) and the need of the company's operation.
- 2) Please refer to Attachment 7 for the Table Comparing the Original and the Amended Articles.

Resolution:

Extraordinary Motions

Adjournment



Attachments

Attachment 1

United Microelectronics Corporation 2018 Annual Business Report

Dear Shareholders,

In the decade following the 2008 financial crisis, 2018 can be remembered as one of the more turbulent years. Economic headwinds emerged from US-China trade tensions, which altered the landscape in international commerce as the introduction of tariffs impacted a variety of imported products. Volatility in commodity prices including oil and raw materials compounded the uncertainty, leading to a rapid decline in global economic growth and offsetting a promising start to the first half of the year. Working amid difficult macro conditions, the concerted efforts of UMC's employees continued to create opportunities. Through new breakthroughs in technology development, strategic capacity expansion and unwavering customer service we realized a record high in annual revenue. The foundry segment shipped a total of 7.1 million 8-inch equivalent wafers, 4% more than the previous year. Overall capacity utilization reached 93.1%, which was 1.3% less than the year before. From a consolidated basis, annual revenue totaled NTD 151.25 billion, with a gross margin of 15.1%, and an operating margin of 3.8%. As a result, UMC's net income attributable to the parent was NTD 7.07 billion or an earnings per share of NTD 0.58.

UMC is committed to providing customers with a comprehensive offering of wafer manufacturing solutions while working closely with our partners across the supply chain to focus on technology development and capacity expansion. Future semiconductor applications will be fueled by cloud computing, artificial intelligence (AI), Internet of Things (IoT), 5G communication (5G) and automotive electronics (auto), where growth can be achieved via the diverse offerings in our logic and specialty process technologies. The existing technology nodes on logic and specialty technologies are also the focus of UMC's investment strategy. UMC's 12-inch wafer capacity and process technologies in Taiwan, Singapore and China will be able to serve market requirements for product mix, wafer starts, and manufacturing efficiency to fulfill worldwide demand and help UMC penetrate new markets to enhance our foundry position.

Looking ahead, UMC will continue with our corporate direction of strengthening our financial performance and securing future growth opportunities. The management team will focus on: (1) valuing our customers with a commitment towards customer success; (2)



proceeding with a prudent investment approach, focusing on product mix optimization and increasing our market share; (3) continuous operational excellence by elevating quality and productivity; (4) striving to enhance shareholder returns. We will also focus on organizational integration to maximize efficiency and strengthening our core competencies.

Advanced Node Technologies Development

In 2018, UMC spent NTD 13.03 billion on research and development expenses to recruit and develop additional engineering talent. The R&D team helped the company to achieve fruitful results in the development of advanced and specialty technologies. The 14nm FinFET technology developed by UMC has entered mass production, and the yield has reached volume production standards. For 28nm, UMC successfully developed its 28HPC^U+ process technology, and through customer collaboration programs, our 28nm has successfully penetrated the Advanced Driving Assistance System (ADAS) supply chain as part of the automotive electronics market. At the same time, we will cooperate with customers to develop 22nm ultra-low power (uLP)/ ultra-low leakage (uLL) process technology that will feature superior transistor performance and an efficient cost structure to further enhance the competitiveness of our customers' products. This 22nm technology will target IoT, auto, industrial automation and a variety of wearable products for general-purpose, analog, mixed-signal, RF and other related applications.

UMC Specialty Process Technology Research and Development

In the specialty technologies segment, UMC is the first semiconductor company to introduce 80nm embedded High Voltage (eHV) and Touch and Display Driver Integrated (TDDI) manufacturing technology, which has expanded the company's market share as evidenced by the increasing adoption rate from our customers. In response to the rising mobile demand for high resolution displays in LCD and AMOLED, UMC is also actively developing new 40nm and 28nm high voltage process technologies. Currently, the company's 40nm high voltage products have already entered mass production. In response to the demand from a wide range of power management ICs, UMC offers a variety of ultra-high voltage solutions for power chargers, LED bulbs, power amplifiers, AC-DC converters and motor drives, etc. UMC also started development of a 55nm BCD+NVM technology platform that accommodates green energy needs. In MEMS technology, UMC shipped more than 400 million MEMS microphone products in 2018, while CMOS-MEMS gas sensor ICs also entered volume production. UMC has developed RF SOI process technology with unique substrate characteristics to prevent high frequency distortion and minimize power loss. Currently, 0.13um and 0.11um RF SOI process technologies are widely adopted by smartphone manufacturers and have entered mass production. In flash memory technology, 55nm and 40nm embedded flash microcontrollers (MCUs) are in volume production, while 40nm



combined with embedded SST super flash (SuperFlash[®]) memory has entered pilot production, providing customers with faster performance at higher memory densities. In addition, UMC has started development of an ultra-fast embedded super flash memory system platform on 28nm. As the marketplace evolves to advanced node technologies, our engineering team will continue to innovate and develop new flash memory solutions with industry partners such as Panasonic Japan for resistive memory ReRAM, to meet more stringent specification requirements from customers. UMC has also collaborated with next-generation STT-MRAM leader Avalanche to jointly develop and produce a new generation of embedded magneto-resistive random access memory (eMRAM).

UMC Capital Expenditure/Patent/Intellectual Property Rights

In 2018, UMC's capital expenditure was US\$650 million, mainly for investment in advanced process R&D equipment and capacity expansion at Fab 12A in Tainan, Fab 12X (USCXM) in Xiamen, China and Fab 8N in SuZhou, China. UMC became the first automotive grade IC supplier to be certified ISO 22301 for operation and business continuity management. We have also implemented a comprehensive "automotive service plan" to introduce zero-defect standards to assist customers in meeting automotive grade quality requirements. UMC's automotive business has grown rapidly, and the products we manufacture have been widely adopted by world-renowned car manufacturers in Japan, Europe, Asia, and the United States. Due to the fierce and competitive nature of the auto industry, UMC significantly improved its key technical capabilities and focused on the layout of patents to protect our intellectual property rights as the number of patents granted grew steadily. In 2018, a total of 423 domestic and foreign patents were obtained, including 337 US patents, 56 Republic of China patents, and 30 Chinese patents. The total number of patents granted to UMC overall reached 12,991, which established a strong foundation for our process technology knowledge and intellectual property portfolio. In order to maintain its competitiveness, UMC also significantly increased the quality of key technology patent applications and continued strengthening customer service and competitive advantages to create value in the semi supply chain.

Corporate Governance and Corporate Social Responsibility

Focus, Nurture and Continuity are the core beliefs of UMC to ensure corporate sustainability, corporate governance and corporate social responsibility. UMC's Board of Directors established the "Remuneration Committee," "Audit Committee," "Capital Budget Committee," and "Nomination Committee" to deliver objective performance evaluations to enhance transparency and operational supervision to preserve the best interests of our shareholders. In 2018, in addition to being listed as a "DJSI-World" constituent of the Dow Jones Sustainability Indices (DJSI) for the 11th consecutive year, we have earned the Taiwan



Corporate Social Responsibility Award, Taiwan Enterprise Sustainability Report Award, Green Procurement Award, Excellent Safety and Health Unit Award, and Corporate Environmental Award. These honors and affirmations highlight UMC's collective community efforts in corporate social responsibility, and we are highly appreciative of our customers, suppliers and shareholders for their support of UMC. This is the biggest driving force for us to continue on the path of sustainable business operations.

UMC has a sound financial structure, a diverse customer base, excellent R&D, world-class manufacturing capabilities, and extensive experience in the semiconductor industry. With the joint efforts of all colleagues, we are committed to implementing the company's established strategy, and we are convinced that we will be able to break through the competitive challenges of the foundry industry, differentiate our competitiveness, and continue to grow our revenue and profit.

I am very grateful to all shareholders for supporting UMC over the years. The management team will continue to strengthen the advantages of UMC and improve its technology, quality and customer service to enhance shareholder value and achieve new corporate milestones.

Chairman: Stan Hung

Presidents: 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 2018 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: Cheng-Li Huang

A handwritten signature in black ink, reading "Cheng-Li Huang". The signature is written in a cursive style with a long horizontal stroke extending to the right.

March 6, 2019

Attachment 3

UMC 2018 Earnings Distribution Chart

Unit: NTD

Item	Amount		Note
	Subtotal	Total	
2018 Earning before Tax	6,208,656,419	6,208,656,419	
Plus: Income Tax Benefit	864,333,717		
Net Income		7,072,990,136	
Minus: Appropriated for Legal Reserve	707,299,014		
Minus: Appropriated for Special Reserve	14,513,939,737		
Plus: Previous Year's Unappropriated Earnings	28,643,596,387		
Plus: Adjustment of Retained Earnings arising from Application of IFRS 9 & IFRS 15	17,969,705,871		
Plus: Adjustment of Retained Earnings from Disposal of Financial Assets at Fair Value through Other Comprehensive Income	10,572,559		
Minus: Adjustment of Retained Earnings Accounted for Under the Equity Method	2,951,260,895		
Minus: Actuarial Gain (Loss) on Defined Benefit Plans	22,340,923		
Earnings Available for Distribution (Cumulative)		35,502,024,384	
Items for Distribution:			
Cash Dividends to Shareholders	6,916,104,855		Dividend per share at approximately NTD 0.58
Total Distribution		6,916,104,855	
End of Term Unappropriated Earnings		28,585,919,529	

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. 2018) and then the previous year's when not sufficient.

Chairman: Stan Hung

Presidents: SC Chien & Jason Wang

CFO: Chitung Liu

Attachment 4

Table Comparing the Original and the Amended Articles of “Acquisition or Disposal of Assets Procedure”

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)	Note
2	<p>“Assets” mentioned in this Procedure are defined as the following:</p> <ol style="list-style-type: none"> 1) Investments such as stocks, government bonds, corporate bonds, deposit receipts, warrants, securities representing interest in a fund, and asset-backed securities. 2) Real property (including land, houses and buildings, investment properties, <u>rights to use land</u>, and inventory of construction enterprises) and equipment. 3) Membership certificates. 4) Patent, copyright, trademark, and other intangible assets. 5) <u>Derivative products.</u> 6) Assets acquired or disposed through merger, spin-off, acquisition or transfer of shares. 7) Other important assets. 	<p>“Assets” mentioned in this Procedure are defined as the following:</p> <ol style="list-style-type: none"> 1) Investments such as stocks, government bonds, corporate bonds, deposit receipts, warrants, securities representing interest in a fund, and asset-backed securities. 2) Real property (including land, houses and buildings, investment properties, and inventory of construction enterprises) and equipment. 3) Membership certificates. 4) Patent, copyright, trademark, and other intangible assets. 5) <u>Right-of-use assets.</u> 6) <u>Derivative products.</u> 7) Assets acquired or disposed through merger, spin-off, acquisition or transfer of shares. 8) Other important assets. 	<p>Conform to the amendments to related regulations.</p>
3	<p>Definition of terms used in this Procedure:</p> <ol style="list-style-type: none"> 1) Derivative products: refer to future, option, commodity, leverage, swap for the values derived from <u>assets</u>, interest rate, exchange rate, index, or other <u>benefits or any combination of the aforesaid financial products</u>. The meaning of future does not include insurance contract, performance contract, after-service contract, long-term lease agreement and long-term purchase (sale) agreement. 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 <u>the 8th paragraph of Article 156 of the Company</u> (for the purpose of this 	<p>Definition of terms used in this Procedure:</p> <ol style="list-style-type: none"> 1) Derivative products: refer to future, option, commodity, leverage, swap for the values derived from <u>specific interest rate, financial instrument price, commodity price, exchange rate, index of prices or rates, credit rating or credit index</u>, or other <u>variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives</u>. The meaning of future does not include insurance contract, performance contract, after-service contract, long-term lease agreement and long-term purchase (sale) agreement. 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 	<p>Conform to the amendments to related regulations.</p>

	<p>Procedure, the transfer of shares). (Omitted) 7) The term “Latest Financial Statements” used in the procedure is the financial statements of this company audited or reviewed by a certified public accountant which has been published in accordance with applicable regulations before the subject acquisition or disposal of assets.</p>	<p>Company Law, Financial Institution Acquisition Law other laws or acquire shares by issuing new shares of the Company in accordance with Article 156-3 of the Company Act (for the purpose of this Procedure, the transfer of shares). (Omitted) 7) <u>Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.</u> 8) <u>Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</u> 9) <u>Over-the-counter venue (“OTC venue”, “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.</u> 10) The term “Latest Financial Statements” used in the procedure is the financial statements of this company audited or reviewed by a certified public accountant (CPA) which has been published in accordance with applicable regulations before the subject acquisition or disposal of assets.</p>	
5	<p>Operating procedure for the acquisition and disposal of assets: (Omitted)</p>	<p>Operating procedure for the acquisition and disposal of assets: (Omitted)</p>	<p>Conform to the amendments</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. (Omitted)</p> <p>Based on the Procedure or other regulations, when the Company's acquisition or disposal of assets is proposed to the Board Meeting, opinions from independent directors shall be thoroughly considered <u>and any positive or negative opinions and objecting reasons shall be recorded in the minutes of the board of directors meeting.</u></p>	<p>2) The acquisition or disposal of securities, real property <u>or right-of-use assets</u> 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. (Omitted)</p> <p>Based on the Procedure or other regulations, when the Company's acquisition or disposal of assets is proposed to the Board Meeting, opinions from independent directors shall be thoroughly considered. <u>If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u></p>	<p>to related regulations and to the needs of commercial practices.</p>
<p>6</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 most recent financial reports, certified or reviewed by a <u>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: (Omitted)</p> <p>If the dollar amount of the transaction reaches 20 percent of the company's paid-in capital or more than NT\$300 million, the company shall also engage a CPA 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 the provisions of</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 most recent financial reports, certified or reviewed by a CPA 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: (Omitted)</p> <p>If the dollar amount of the transaction reaches 20 percent of the company's paid-in capital or more than NT\$300 million, the company shall also engage a CPA 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 the provisions of Statement of Auditing Standards</p>	

	<p>Statement of Auditing Standards No.20 published by the ROC Accounting Research and Development Foundation (ARDF). 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 Financial Supervisory Commission (“FSC”), including</p> <ul style="list-style-type: none"> A. Start-up companies which were established by following “<u>The Company Act</u>” and the acquisition of its’ securities through capital injection and the rights entitled to the securities is equivalent to its ownership percentage. B. Acquisition of securities from companies proceeding new share issuance through capital injection at par value. C. Acquisition of securities from 100% owned investee companies proceeding new share issuance through capital injection. D. Securities traded in Stock Exchange, OTC or other public offering markets. E. <u>Treasury</u> or repos and <u>reverser</u> repos. F. <u>Domestic/Foreign</u> Funds. G. Acquisition or disposal of listed companies’ securities through <u>TSE and</u> OTC’s auction or bid regulations. H. Acquisition of new share issuance through capital injection from public offering companies or subscription to domestic bonds (including financial bonds) , and the new shares acquired are not privatized. I. Subscription to fund shares before the establishment of a fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act for the subscription or redemption of domestic private placement funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open 	<p>No.20 published by the ROC Accounting Research and Development Foundation (ARDF). 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 Financial Supervisory Commission (“FSC”), including</p> <ul style="list-style-type: none"> A. Start-up companies which were established by following <u>the law</u> and the acquisition of its securities through capital injection and the rights entitled to the securities is equivalent to its ownership percentage. B. Acquisition of securities from companies proceeding new share issuance through capital injection at par value. C. Acquisition of securities <u>directly or indirectly</u> from 100% owned investee companies <u>or among 100% owned investees</u> proceeding new share issuance through capital injection. D. Securities traded in Stock Exchange, OTC or other public offering markets. E. <u>Domestic</u> treasury or repos and <u>reverse</u> repos. F. <u>Public offering of</u> Funds. G. Acquisition or disposal of listed companies’ securities through <u>Securities exchange or</u> OTC’s auction or bid regulations. H. Acquisition of new share issuance through capital injection from <u>domestic</u> public offering companies or subscription to domestic bonds (including financial bonds), and the new shares acquired are not privatized. I. Subscription to fund shares before the establishment of a fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act for the subscription or redemption of domestic private placement funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities 	
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	<p>positions held in securities related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.</p> <p>2) Real property <u>or</u> equipment: When the Company acquires or disposes of real property <u>or</u> equipment, 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 20 percent of Company's paid-in capital or NT\$300 million, 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: (Omitted)</p> <p>3) Membership certificates <u>or</u> intangible assets: Relevant information shall be collected for pricing comparison or negotiation in acquiring or disposing membership certificates. In acquiring or disposing of intangible assets, relevant price information shall be collected and relevant regulations and contract contents shall be carefully evaluated before the transaction price is determined. When the Company acquires or disposes of membership certificates or intangible assets with the transaction price exceeding either 20 percent of Company's paid-in capital or NT\$300 million, except in transactions with a government agency, the Company shall engage a CPA prior to the date of the event occurrence to render an opinion on the reasonableness of the transaction price; the CPA shall take measures in accordance with the provisions of Statement of Auditing Standards No.20 published by the ARDF. (Omitted)</p>	<p>margin transactions and open positions held in securities related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.</p> <p>2) Real property, equipment <u>or</u> <u>rights-of-use assets</u>: When the Company acquires or disposes of real property, equipment <u>or</u> <u>rights-of-use assets</u>, except for dealing with <u>domestic</u> government, contract to construction on land owned by the Company or land leased from another party, equipment <u>or</u> <u>rights-of-use assets</u> for business operation acquired or disposed of, with the transaction amount exceeding either 20 percent of Company's paid-in capital or NT\$300 million, 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: (Omitted)</p> <p>3) Membership certificates, intangible assets <u>or</u> <u>rights-of-use assets</u>: Relevant information shall be collected for pricing comparison or negotiation in acquiring or disposing membership certificates. In acquiring or disposing of intangible assets <u>or</u> <u>rights-of-use assets</u>, relevant price information shall be collected and relevant regulations and contract contents shall be carefully evaluated before the transaction price is determined. When the Company acquires or disposes of membership certificates or intangible assets <u>or</u> <u>rights-of-use assets</u> with the transaction price exceeding either 20 percent of Company's paid-in capital or NT\$300 million, except in transactions with a <u>domestic</u> government agency, the Company shall engage a CPA prior to the date of the event occurrence to render an opinion on the reasonableness of the transaction price; the CPA shall take measures in accordance with the provisions of Statement of Auditing Standards No.20 published by the ARDF. (Omitted)</p>	
8	When the Company obtains reports from an	When the Company obtains reports from an	Conform to

	<p>appraiser, CPA, lawyer, securities underwriter, such appraiser, CPA, lawyer, or securities underwriter, <u>they shall not be a related party to the transaction.</u></p>	<p>appraiser, CPA, lawyer, securities underwriter, such appraiser, CPA, lawyer, or securities underwriter, <u>these professionals should meet the following criteria:</u></p> <ol style="list-style-type: none"> <u>1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u> <u>2) May not be a related party or de facto related party of any party to the transaction.</u> <u>3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u> <p><u>When issuing an appraisal report or opinion, the personnel referred to shall comply with the government requirement.</u></p>	<p>the amendments to related regulations.</p>
<p>9</p>	<p>When the Company acquires or disposes of assets, the related information must be disclosed and reported to Market Observation Post System website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event, if the following situation occurs:</p> <ol style="list-style-type: none"> 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, or subscription or repurchase of domestic securities 	<p>When the Company acquires or disposes of assets, the related information must be disclosed and reported to Market Observation Post System website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event, if the following situation occurs:</p> <ol style="list-style-type: none"> 1) Acquisition or disposal of real property <u>or rights-of-use assets</u> from or to a related party, or acquisition or disposal of assets other than real property <u>or rights-of-use assets</u> 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 <u>domestic</u> government bonds or bonds under repurchase and resale 	<p>Conform to the amendments to related regulations.</p>

	<p>investment trust issued domestic money market funds.</p> <p>2) Merger, spin-off, acquisition or transfer of shares.</p> <p>3) The transaction losses derived from derivatives reaches the upper limit set forth in the Financial Derivatives Transaction Procedure for all or any individual contract.</p> <p>4) Acquiring or disposing of equipment which is for operation purposes, and the counter party to which is not a related party, and the transaction amount of which exceed NT\$1 billion.</p> <p>5) Acquiring the <u>fixed assets</u> through engaging others to build on the company's own land, engaging others to build on rented land, cooperative construction for the distribution of houses, cooperative construction for the distribution of shares, cooperative construction for sale <u>and</u> the transaction amount exceeding NT\$ 500 million.</p> <p>6) Where an asset transaction other than any of those referred to in the preceding five 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:</p> <p>A. Buying or selling government bonds.</p> <p>B. <u>Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, or subscription of securities by a securities firm, or subscription of domestic corporate bonds or financial bonds without consideration of equity value issued in either in primary market or in accordance with relevant regulations; securities subscribed by securities firms for operation purposes as an underwriter or the advising and recommending securities firms of emerging stocks traded on the Taipei Exchange or buying or selling securities in domestic or foreign stock exchanges or over-the-counter</u></p>	<p>agreements, or subscription or repurchase of domestic securities investment trust issued domestic money market funds.</p> <p>2) Merger, spin-off, acquisition or transfer of shares.</p> <p>3) The transaction losses derived from derivatives reaches the upper limit set forth in the Financial Derivatives Transaction Procedure for all or any individual contract.</p> <p>4) Acquiring or disposing of equipment <u>or rights-of-use assets</u>, which is for operation purposes, and the counter party to which is not a related party, and the transaction amount of which exceed NT\$1 billion.</p> <p>5) Acquiring the <u>real property</u> through engaging others to build on the company's own land, engaging others to build on rented land, cooperative construction for the distribution of houses, cooperative construction for the distribution of shares, cooperative construction for sale, <u>and furthermore the transaction counterparty is not a related party, then</u> the transaction amount exceeding NT\$ 500 million.</p> <p>6) Where an asset transaction other than any of those referred to in the preceding five 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:</p> <p>A. Buying or selling <u>domestic</u> government bonds.</p> <p>B. <u>Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in</u></p>	
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	<p><u>when the Company's scope of business is investment.</u></p> <p>C. Buying or selling bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by domestic securities investment trusts.</p> <p>The transaction amount is calculated according to the following formulas:</p> <ol style="list-style-type: none"> 1) Transaction amount of each transaction. 2) The accumulated amount of transactions with the same party in one year for similar objects. 3) The accumulated amount of transactions in one year of the acquisition or disposal (acquisition and disposal calculated separately) of real property for the same development plan. 4) The accumulated amount of transactions in one year of the acquisition or disposal (acquisition and disposal calculated separately) of the same securities. <p>(Omitted)</p>	<p><u>accordance with the rules of the Taipei Exchange.</u></p> <p>C. Buying or selling bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by domestic securities investment trusts.</p> <p>The transaction amount is calculated according to the following formulas:</p> <ol style="list-style-type: none"> 1) Transaction amount of each transaction. 2) The accumulated amount of transactions with the same party in one year for similar objects. 3) The accumulated amount of transactions in one year of the acquisition or disposal (acquisition and disposal calculated separately) of real property <u>or rights-of-use assets</u> for the same development plan. 4) The accumulated amount of transactions in one year of the acquisition or disposal (acquisition and disposal calculated separately) of the same securities. <p>(Omitted)</p>	
11	<p>The Company's controlling procedure on its subsidiary's procedure of acquiring or disposing of assets:</p> <p>(Omitted)</p> <ol style="list-style-type: none"> 3) The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to Article 9, paragraph 1 requires a public announcement and regulatory filing <u>in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.</u> 	<p>The Company's controlling procedure on its subsidiary's procedure of acquiring or disposing of assets:</p> <p>(Omitted)</p> <ol style="list-style-type: none"> 3) The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to Article 9, paragraph 1 requires a public announcement and regulatory filing. 	Conform to the amendments to related regulations.
13	<p>The restrictions of total amount and individual amount for the Company's and its Subsidiary's transactions in real property for non-operational purposes, securities, and investments in a single security are as follows:</p> <ol style="list-style-type: none"> 1) The purchase of real property for non-operational purposes shall not exceed 30% of the Company's paid-in capital. <p>(Omitted)</p>	<p>The restrictions of total amount and individual amount for the Company's and its Subsidiary's transactions in real property <u>or rights of use assets</u> for non-operational purposes, securities, and investments in a single security are as follows:</p> <ol style="list-style-type: none"> 1) The purchase of real property <u>or rights-of-use assets</u> for non-operational purposes shall not exceed 30% of the Company's paid-in capital. <p>(Omitted)</p>	Conform to the amendments to related regulations.
15	When the Company acquires or disposes of	When the Company acquires or disposes of	Conform to

<p>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, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust, 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> <ol style="list-style-type: none"> 1) The purpose, necessity, and projected benefit from acquiring and disposing the assets. 2) The reason for choosing the related party as the counter party. 3) With respect to the acquisition of real property from a related party, relevant information in evaluating the reasonableness of the transaction terms in accordance with Article 16 and 17 of the Procedure. 4) Date, transaction price, and counter party, and its relation with the Company and related party. 5) The projection of the cash flow of each following month after the month of entering into the contract, and an evaluation of the necessity and reasonableness of the capital use. 6) An appraisal report from a professional appraiser or a CPA’s opinion obtained in compliance with the preceding article. 7) Restricting conditions and other important terms and conditions. <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 9, paragraph 2 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been passed by Audit Committee and the board of directors need not be counted toward the transaction amount.</p> <p>When the Procedures for the Acquisition and Disposal of Assets are submitted for discussion by the board of directors pursuant to the first paragraph, the board of</p>	<p>real property <u>or rights-of-use assets</u> from or to a related party, or when it acquires or disposes of assets other than real property <u>or rights-of-use assets</u> 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, except in trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by securities investment trust, 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> <ol style="list-style-type: none"> 1) The purpose, necessity, and projected benefit from acquiring and disposing the assets. 2) The reason for choosing the related party as the counter party. 3) With respect to the acquisition of real property <u>or rights-of-use assets</u> from a related party, relevant information in evaluating the reasonableness of the transaction terms in accordance with Article 16 and 17 of the Procedure. 4) Date, transaction price, and counter party, and its relation with the Company and related party. 5) The projection of the cash flow of each following month after the month of entering into the contract, and an evaluation of the necessity and reasonableness of the capital use. 6) An appraisal report from a professional appraiser or a CPA’s opinion obtained in compliance with the preceding article. 7) Restricting conditions and other important terms and conditions. <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 9, paragraph 2 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been passed by Audit Committee and the board of directors need not be counted toward the transaction amount.</p> <p>When the Procedures for the Acquisition and Disposal of Assets are submitted for</p>	<p>the amendments to related regulations and to the needs of commercial practices.</p>
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	<p>directors shall take into full consideration each independent director’s opinions <u>and any positive or negative opinions and objecting reason</u> shall be recorded in the minutes of the board of directors meeting. <u>For the acquisition or disposal of operation-purpose equipment between the Company and its subsidiaries, the Board may delegate the Chairman to decide such transaction when the amount is within NT\$1 billion and have the decisions subsequently submitted to and ratified at the next Board meeting.</u></p>	<p>discussion by the board of directors pursuant to the first paragraph, the board of directors shall take into full consideration each independent director’s opinions. <u>If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u></p>	
<p>16</p>	<p>When the Company acquires <u>fixed assets</u> from related parties, the reasonableness of the transaction cost should be evaluated in accordance with the following methods: (Omitted) When the land and structures of the same object are bought together, the transaction cost of the land and structures may be separately assessed accordingly. When the Company acquires real property from related parties, in addition to the assessment of the cost of the real property according to <u>section 1 and section 2</u>, the Company shall consult <u>the public accountant</u> for his concrete opinion. In any of the following events, the acquisition of real property from related parties shall be carried out according to Article 15 of the Procedure, but the preceding three sections shall not apply.</p> <ol style="list-style-type: none"> 1) The related party acquired the real property due to succession or gift. 2) The lapse between the date of acquisition of real property and the date of the transaction has been more than five years. 3) The acquisition of real property is based on the cooperative construction contract with the related parties, or through engaging a related party to build real property, either on the company’s own land or on rented land. 	<p>When the Company acquires <u>real property or rights-to-use asset</u> from related parties, the reasonableness of the transaction cost should be evaluated in accordance with the following methods: (Omitted) When the land and structures of the same object are bought <u>or leased</u> together, the transaction cost of the land and structures may be separately assessed accordingly. When the Company acquires real property or rights-to-use assets from related parties, in addition to the assessment of the cost of the real property <u>or rights-to-use assets</u> according to <u>previous 2 sections</u>, the Company shall consult <u>a CPA</u> for his concrete opinion. In any of the following events, the acquisition of real property <u>or rights-to-use assets</u> from related parties shall be carried out according to Article 15 of the Procedure, but the preceding three sections shall not apply.</p> <ol style="list-style-type: none"> 1) The related party acquired the real property <u>or rights-to-use assets</u> due to succession or gift. 2) The lapse between the date of acquisition of real property <u>or rights-to-use assets</u> and the date of the transaction has been more than five years. 3) The acquisition of real property is based on the cooperative construction contract with the related parties, or through engaging a related party to build real property, either on the company’s own land or on rented land. 4) <u>The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in</u> 	<p>Conform to the amendments to related regulations.</p>

		<u>which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</u>	
17	<p>If the outcome evaluation according to sections 1 and 2 of the preceding article is lower than the transaction price, Article 18 shall apply with the exception of the following circumstances, which is accompanied with objective evidence and concrete opinions of the appraiser and CPA:</p> <p>(Omitted)</p> <p>B. The transaction terms are fair and reasonable compare to other transactions of other floors of the same property or in the neighboring conducted by unrelated parties within the preceding year taking into account the reasonable price difference in the light of real property sale transaction customs.</p> <p><u>C. The transaction terms is fair and reasonable comparing to other transactions of other floors of the same property, conducted by unrelated parties within the preceding year, taking into account the reasonable price difference in accordance with standard property leasing market practices.</u></p> <p>2) Where a public company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>“Neighborhood” in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; “within the preceding year” refers to the year preceding the date of occurrence of the acquisition of the real property.</p>	<p>If the outcome evaluation according to sections 1 and 2 of the preceding article is lower than the transaction price, Article 18 shall apply with the exception of the following circumstances, which is accompanied with objective evidence and concrete opinions of the appraiser and CPA:</p> <p>(Omitted)</p> <p>B. The transaction terms are fair and reasonable compare to other transactions of other floors of the same property or in the neighboring conducted by unrelated parties within the preceding year taking into account the reasonable price difference in the light of real property sale <u>or lease</u> transaction customs.</p> <p>2) Where a public company acquiring real property <u>or rights-to-use assets</u> from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>“Neighborhood” in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; “within the preceding year” refers to the year preceding the date of occurrence of the acquisition of the real property <u>or rights-to-use assets</u>.</p>	Conform to the amendments to related regulations.
18	If the outcome of evaluation of the real	If the outcome of evaluation of the real	Conform to

	<p>property acquired from the related parties is lower than the transaction price, the following measures shall be taken:</p> <ol style="list-style-type: none"> 1) The special reserve shall be appropriated according to Section 1 of Article 41 of the Securities Exchange Law for the price difference between the transaction price and the assessment and shall not be distributed or used for capital increase. 2) The independent director members of Audit Committee shall take measures according to Article 218 of the Company Law and Item 4, Article 14-4 of the Security and Exchange Act. 3) The measures taken according to <u>section 1 and section 2</u> shall be reported to the meeting of shareholders and the detailed content of the transaction shall be disclosed in the annual report and prospectus. <p>The special reserve appropriated shall be used only when the declining value of the assets bought at a high price has been acknowledged, the assets disposed, original state restored, or there exists any other evidence to ensure the reasonableness and when the FSC has approved it.</p> <p>If there exists evidence showing that the transaction of the Company to acquire real property from related parties does not conform with the business practice, the preceding two sections shall govern.</p>	<p>property <u>or rights-to-use assets</u> acquired from the related parties is lower than the transaction price, the following measures shall be taken:</p> <ol style="list-style-type: none"> 1) The special reserve shall be appropriated according to Section 1 of Article 41 of the Securities Exchange Law for the price difference between the <u>real property or rights-to-use assets</u> transaction price and the assessment and shall not be distributed or used for capital increase. 2) The independent director members of Audit Committee shall take measures according to Article 218 of the Company Law and Item 4, Article 14-4 of the Security and Exchange Act. 3) The measures taken according to <u>previous 2 sections</u> shall be reported to the meeting of shareholders and the detailed content of the transaction shall be disclosed in the annual report and prospectus. <p>The special reserve appropriated shall be used only when the declining value of the assets bought <u>or leased</u> at a high price has been acknowledged, the assets <u>has been disposed, or leased agreement has been terminated</u>, original state restored, or there exists any other evidence to ensure the reasonableness and when the FSC has approved it.</p> <p>If there exists evidence showing that the transaction of the Company to acquire real property <u>or rights-to-use assets</u> from related parties does not conform with the business practice, the preceding two sections shall govern.</p>	<p>the amendments to related regulations.</p>
21	<p>(Omitted)</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs <u>3 and 4</u>.</p>	<p>(Omitted)</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of <u>previous 2 paragraphs</u>.</p>	<p>Conform to the amendments to related regulations.</p>
28	<p>This procedure shall be passed by Audit Committee and the board of directors, and presented to the shareholder's meeting for its approval. Any amendment is subject to the same procedure. The board of directors</p>	<p>This procedure shall be passed by Audit Committee and the board of directors, and presented to the shareholder's meeting for its approval. Any amendment is subject to the same procedure. The board of directors</p>	<p>Conform to the needs of commercial practices.</p>

	<p>shall take into full consideration each independent director’s opinions <u>and any positive or negative opinions and the objecting reason</u> shall be recorded in the minutes of the board of directors meeting. If any member of board of directors objects to it with a record or written declaration, the Company shall present it to the meeting of shareholders for discussion.</p>	<p>shall take into full consideration each independent director’s opinions. <u>If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</u> If any member of board of directors objects to it with a record or written declaration, the Company shall present it to the meeting of shareholders for discussion.</p>	
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Attachment 5

Table Comparing the Original and the Amended Articles of “Financial Derivatives Transaction Procedure”

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)	Note
2	<p>“Derivative products” mentioned in the Procedure refers to forward contracts, option contracts, future contracts, leverage contracts, swap contracts, <u>and compound contracts combining the above products</u> whose value is derived from <u>assets, interest rates, exchange rates, indexes, or other interests</u>. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p>	<p>“Derivative products” mentioned in the Procedure refers to forward contracts, option contracts, future contracts, leverage contracts, <u>or</u> swap contracts, whose value is derived from <u>a specified interest rate, financial instrument price, commodity price, foreign exchange rates, indexes of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives</u>. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p>	Text amended pursuant to the regulations issued by the competent authority.
3	<p>(Omitted above)</p> <p>4) Transaction amount & restriction:</p> <p>A. FX position: based on the needs of each net currency position and the forecasted cash flows, the policy of <u>Forward FX transaction</u> is set to natural hedge. The authorization for each type of transaction is as follows: (Omitted below)</p> <p>ii. Other FX derivatives product: <u>The authorized FX trader</u> will need to submit evaluation report which clearly states type of transaction, transaction amount, time period, purpose of transaction, transaction breakdown, expenses, <u>and</u> trading party. The transaction can be executed only after CFO’s approval.</p> <p>B. Interest rate and other transaction: The contract amount is limited to the outstanding amount of the Company’s issuing equities or bonds. The transaction will be used to hedge the exchange rate risk or interest rate risk associated with issuing equities such as ADR or GDR, or domestic or</p>	<p>(Omitted above)</p> <p>4) Transaction amount & restriction:</p> <p>A. FX position: based on the needs of each net currency position and the forecasted cash flows, the policy is set to natural hedge. The authorization for each type of transaction is as follows: (Omitted below)</p> <p>ii. Other FX derivatives product: <u>Finance Division</u> will need to submit evaluation report which clearly states type of transaction, transaction amount, time period, purpose of transaction, transaction breakdown, expenses, trading party, <u>and nature of transaction</u>. The transaction can be executed only after CFO’s approval.</p> <p>B. Interest rate and other transaction: The contract amount is limited to the outstanding amount of the Company’s issuing equities or bonds. The transaction will be used to hedge the exchange rate risk or interest rate risk associated with issuing equities such as ADR or GDR, or domestic or foreign bonds such as ECB, EB or</p>	Text amended to meet with the Company’s operation needs and to define the approval level for different types of derivatives transactions.

	<p>foreign bonds such as ECB, EB or domestic corporate bond, or long-term bank loan. <u>The authorized FX trader</u> will submit evaluation report and approved by CFO. If necessary, the approval from Chairman, Audit Committee and Board Meeting is needed before executing such transaction.</p> <p>C. Maximum Contract Size & Loss Limit The total amount of derivatives which the Company is capable to take is based on 100% of latest quarterly revenue amounts. For hedging transactions, the upper limit of losses is 20% of the contract amount for all contracts in aggregate or for any individual contract. For other special derivative transactions, the maximum losses for all contracts is 10% of total contract amount, and the losses limit for an individual contract is 5% of such contract amount. When losses exceed such upper limits, <u>the authorized FX trader</u> shall provide documentation, stating both impacts to the Company and solutions to decrease such losses, after a discussion with Finance Division 1st level manager. After the approval from CFO and Chairman, <u>the authorized FX trader</u> shall take such solutions and report them to Audit Committee and the Board afterwards. (Omitted below)</p>	<p>domestic corporate bond, or long-term bank loan. <u>Finance Division</u> will submit evaluation report and approved by CFO. If necessary, the approval from Chairman, Audit Committee and Board Meeting is needed before executing such transaction.</p> <p>C. <u>Other derivatives transactions:</u> <u>Finance Division</u> will submit evaluation report and approved by <u>Chairman, Audit Committee and the Board of Directors</u> before executing transactions.</p> <p>D. Maximum Contract Size & Loss Limit The total amount of derivatives which the Company is capable to take is based on 100% of latest quarterly revenue amounts. For hedging transactions, the upper limit of losses is 20% of the contract amount for all contracts in aggregate or for any individual contract. For other special derivative transactions, the maximum losses for all contracts is 10% of total contract amount, and the losses limit for an individual contract is 5% of such contract amount. When losses exceed such upper limits, <u>Finance Division</u> shall provide documentation, stating both impacts to the Company and solutions to decrease such losses, after a discussion with Finance Division 1st level manager. After the approval from CFO and Chairman, <u>Finance Division</u> shall take such solutions and report them to Audit Committee and the Board afterwards. (Omitted below)</p>	
10	<p>This procedure shall become effective upon approval by Audit Committee and the <u>board of director</u> and be reported to the shareholders meeting. Any amendment is subject to the same procedure. Opinions from independent directors shall be thoroughly considered during discussion and their <u>concurring or opposing</u> opinions and the <u>reasons for objection</u> shall be recorded in meeting minutes. If any member of <u>board of directors</u> objects to it with a record or written declaration, the Company shall present it to the meeting of shareholders for discussion.</p>	<p>This procedure shall become effective upon approval by Audit Committee and the <u>Board of Directors</u> and be reported to the shareholders meeting. Any amendment is subject to the same procedure. Opinions from independent directors shall be thoroughly considered during discussion and their opposing opinions <u>or reservations</u> shall be recorded in meeting minutes. If any member of the <u>Board of Directors</u> objects to it with a record or written declaration, the Company shall present it to the meeting of shareholders for discussion.</p>	Text amended pursuant to the regulations issued by the competent authority.

Attachment 6

Table Comparing the Original and the Amended Articles of “Loan Procedure”

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)	Note
3	(Omitted above) “Occurrence of the event” mentioned in the Procedure means the date of contract signing, date of payment, date of <u>board of directors resolutions</u> , or other date <u>of the counter party</u> and amount of the <u>transaction</u> determined, whichever date is earlier.	(Omitted above) “Occurrence of the event” mentioned in the Procedure means the date of contract signing, date of payment, date of <u>Board of Directors resolutions</u> , or other date <u>that the fund borrowers and monetary amount of the capital lending are</u> determined, whichever date is earlier.	Text amended pursuant to the regulations issued by the competent authority.
4	(Omitted above) When there are short-term capital needs among the offshore companies which are 100% owned directly and indirectly by the Company, the total lending amount shall be subject to the limit of 40% of the net value of the lending subsidiary, <u>and the lending amount for any individual entity shall not exceed 10% of the net value of the lending subsidiary</u> . The lending period in this case <u>shall</u> be within one year <u>and</u> the interest rate of such loan shall not be lower than the capital cost of the lending subsidiary from its short-term loan with the financial institution. The interest to be collected shall be calculated and paid once a month, be withheld when the fund is appropriated, or be paid on the last day of the lending period.	(Omitted above) When there are short-term capital needs among the offshore companies which are 100% owned directly and indirectly by the Company, <u>or the aforementioned offshore companies loan short-term fund to the Company</u> , the total lending amount <u>and the lending amount for any individual entity shall not be subject to the limit of 40% and 10% of the net value of the lending subsidiary respectively</u> . The lending period in this case <u>will not be restricted</u> within one year. <u>These offshore companies shall need to stipulate the loan amount limits and term of loans in its lending procedures in accordance with the Regulation</u> . Neither the <u>total lending amount nor the lending amount for any individual entity shall exceed 100% of the net value of the lending subsidiary</u> . The interest rate of such loan shall not be lower than the capital cost of the lending subsidiary from its short-term loan with the financial institution. The interest to be collected shall be calculated and paid once a month <u>or a year</u> , be withheld when the fund is appropriated, or be paid on the last day of the lending period.	Text amended pursuant to the regulations issued by the competent authority and to meet with the Company’s operation needs.
5	Procedures for Lending of Capital: 1) The borrower applying for the loan shall present a written application specifying the credit line of the loan to the Company with the necessary documents and guarantee information. The Finance Department shall conduct an investigation and	Procedures for Lending of Capital: 1) The borrower applying for the loan shall present a written application specifying the credit line of the loan to the Company with the necessary documents and guarantee information. The Finance Department shall conduct an investigation and	Text amended pursuant to the regulations issued by the competent authority.

	<p>evaluation on the application with respect to the borrower’s business, financial status, ability to repay the debt, credit, profitability and purpose for lending and come out with a report to the chairman of <u>board of directors</u> for the <u>board’s</u> approval. While discussing during the <u>board</u> meeting, opinions from independent directors shall be thoroughly considered and their <u>concurring or opposing opinions and the reasons for objection</u> shall be recorded in meeting minutes. Material amount of Loan shall be reported to the <u>board</u> meeting after receiving the approval from more than 1/2 members of Audit Committee.</p> <p>(Omitted below)</p>	<p>evaluation on the application with respect to the borrower’s business, financial status, ability to repay the debt, credit, profitability and purpose for lending and come out with a report to the chairman of <u>Board of Directors</u> for the <u>Board’s</u> approval. While discussing during the <u>Board</u> meeting, opinions from independent directors shall be thoroughly considered and their <u>opposing opinions or reservations</u> shall be recorded in meeting minutes. Material amount of Loan shall be reported to the <u>Board</u> meeting after receiving the approval from more than 1/2 members of Audit Committee.</p> <p>(Omitted below)</p>	
12	<p>This procedure shall be passed by Audit Committee and the <u>board of directors</u>, and be presented to the shareholder’s meeting for its approval. Opinions from independent directors shall be thoroughly considered during the discussion and their <u>concurring or opposing opinions and the reasons for objection</u> shall be recorded in meeting minutes. If any member of <u>board of directors</u> objects to it with a record or written declaration, the Company shall present it to the meeting of shareholders for discussion. The amendment of the Procedure shall follow the same procedure.</p>	<p>This procedure shall be passed by Audit Committee and the <u>Board of Directors</u>, and be presented to the shareholder’s meeting for its approval. Opinions from independent directors shall be thoroughly considered during the discussion and their <u>opposing opinions or reservations</u> shall be recorded in meeting minutes. If any member of <u>Board of Directors</u> objects to it with a record or written declaration, the Company shall present it to the meeting of shareholders for discussion. The amendment of the Procedure shall follow the same procedure.</p>	Text amended pursuant to the regulations issued by the competent authority.

Attachment 7

**Table Comparing the Original and the Amended Articles of
“Endorsements and Guarantees Procedure”**

Article No.	Original Article (or portion thereof)	Amended Article (or portion thereof)	Note
2-1	(Omitted above) “Occurrence of the event” mentioned in the Procedure means the date of contract signing, date of payment, date of <u>board of directors resolutions</u> , or other date of <u>the counterparty</u> and amount of <u>transaction</u> determined, whichever date is earlier.	(Omitted above) “Occurrence of the event” mentioned in the Procedure means the date of contract signing, date of payment, date of <u>Board of Directors resolutions</u> , or other date <u>that the endorsed or guaranteed companies and monetary amount of the endorsement or guarantee are</u> determined, whichever date is earlier.	Text amended pursuant to the regulations issued by the competent authority.
5	(Omitted above) Opinions from independent directors shall be thoroughly considered while <u>make</u> endorsement and guarantee decisions, and their <u>concurring or opposing opinions and the reasons for objection</u> shall be recorded in meeting minutes.	(Omitted above) Opinions from independent directors shall be thoroughly considered while <u>making</u> endorsement and guarantee decisions, and their opposing opinions <u>or reservations</u> shall be recorded in meeting minutes.	Text amended pursuant to the regulations issued by the competent authority.
7	1) If the endorsement or guarantee needs to be cancelled due to performance of debt or change of note as a result of extension of the term, the endorsed company shall deliver a formal letter with <u>the original notes endorsed and relevant documents</u> to the financial department <u>to be chopped “cancellation” and returned</u> , the application letter shall be kept for reference. (Omitted below)	1) If the endorsement or guarantee needs to be cancelled due to performance of debt or change of note as a result of extension of the term, the endorsed company shall deliver a formal letter with relevant documents to the financial department <u>for cancellation</u> , and the application letter shall be kept for reference. (Omitted below)	Text amended to meet with the Company’s operation needs.
9	Chop <u>keeping and using</u> procedure 1) The Company’s chop for the registration to the Ministry of Economic Affairs shall be used as the special chop for endorsement and guarantee. <u>Blanket notes shall be kept by the financial department.</u> 2) After the endorsement and guarantee have been approved by the <u>board of directors or chairman of board of directors</u> , <u>the financial department shall fill in the “application for the use of chop” and presented to the head of financial department and chairman of the board of directors along with documents such as record of approval.</u>	Chop <u>using and keeping</u> procedure 1) The Company’s chop for the registration to the Ministry of Economic Affairs shall be used as the special chop for endorsement and guarantee, and <u>kept separately by appointed and authorized persons.</u> 2) After the endorsement and guarantee have been approved by the <u>Board of Directors or chairman of Board of Directors</u> , <u>the relevant documentation or notes to be stamped by chop keeper should be in accordance with the Company seal application process.</u> 3) When the Company provides guarantee to foreign companies, the	Text amended pursuant to the regulations issued by the competent authority, to meet with the Company’s operation needs, and rearrange ordinal number.

	<p><u>contract of endorsement and guarantee, or notes for approval and then have the documents chopped at the chop keeper place.</u></p> <p>3) <u>The chop keeper shall chop after examining the record of approval, application for chop, the approval of head of financial department and chairman of board of directors, and the conformity of the chop document.</u></p> <p>4) When the Company provides guarantee to foreign companies, the letter of guarantee shall be signed by the chairman of <u>board of directors</u> authorized by the <u>board</u>.</p>	<p>letter of guarantee shall be signed by the chairman of <u>Board of Directors</u> authorized by the <u>Board</u>.</p>	
10	<p>(Omitted above)</p> <p>iii. The Company's and its subsidiary's remaining amount of the endorsement and guarantee to one single company reaches NT\$10,000,000 or more, and the total remaining amount of endorsement and guarantee, investment <u>with long-term nature</u> and loan exceeds 30% of the net worth of the Company's latest financial report.</p> <p>(Omitted below)</p>	<p>(Omitted above)</p> <p>iii. The Company's and its subsidiary's remaining amount of the endorsement and guarantee to one single company reaches NT\$10,000,000 or more, and the total remaining amount of endorsement and guarantee, <u>book value of investment accounted for under equity method</u> and loan exceeds 30% of the net worth of the Company's latest financial report.</p> <p>(Omitted below)</p>	Text amended pursuant to the regulations issued by the competent authority.
12	<p>This procedure shall be passed by Audit Committee and the <u>board of directors</u>, and presented to the shareholder's meeting for its approval.</p> <p>Opinions from independent directors shall be thoroughly considered during the discussion and their <u>concurring or opposing opinions and the reasons for objection</u> shall be recorded in meeting minutes. If any member of <u>board of directors</u> objects to it with a record or written declaration, the Company shall present it to the meeting of shareholders for discussion.</p> <p>The amendment of the Procedure shall follow the same procedure.</p>	<p>This procedure shall be passed by Audit Committee and the <u>Board of Directors</u>, and presented to the shareholders' meeting for its approval.</p> <p>Opinions from independent directors shall be thoroughly considered during the discussion and their opposing opinions <u>or reservations</u> shall be recorded in meeting minutes. If any member of <u>Board of Directors</u> objects to it with a record or written declaration, the Company shall present it to the meeting of shareholders for discussion.</p> <p>The amendment of the Procedure shall follow the same procedure.</p>	Amendment of wordings and text amended pursuant to the regulations issued by the competent authority.

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 12, 2018

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:
CC01080 Electronic Parts and Components Manufacturing
I501010 Product Designing
F401010 International Trade
C801990 Other Chemical Materials Manufacturing
C802990 Other Chemical Products Manufacturing
CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
IG03010 Energy Technical Services
I199990 Other Consultancy
J101090 Waste Collecting and Disposing

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 (Only for waste disposal processing outside of the science park);
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 13-2 The Company established a Nominating 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 Nominating 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 directors' 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 it 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, on June 8, 2017 for the thirty-seventh time, and on June 12, 2018 for the thirty-eighth 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	12,124,318,715 shares
Legal holding of all directors in number of shares	160,000,000 shares

2. As of April 14, 2019, all board members' shareholdings are as follows:

Position	Name	Number of shares	Shareholding %
Chairman	Stan Hung	39,916,452	0.33%
Director	SC Chien (Representative of Hsun Chieh Investment Co., Ltd.)	441,371,000	3.64%
Director	Jason Wang (Representative of Silicon Integrated Systems Corp.)	285,380,424	2.35%
Director	Chung Laung Liu	0	0.00%
Director	Ting-Yu Lin	12,547,222	0.10%
Independent Director	Cheng-Li Huang	0	0.00%
Independent Director	Wenyi Chu	0	0.00%
Independent Director	Lih J. Chen	0	0.00%
Independent Director	Jyuo-Min Shyu	0	0.00%

Note:

- As of April 14, 2019, the total shareholdings of all directors is 779,215,098 shares.
- Independent directors' holdings are excluded from total shareholding calculations.
- The Company has set up an Audit Committee, so limitations on supervisors' holdings are not applicable.