Intellectual Property (IP) Protection Policy

Updated June 2002
UMC Intellectual Property (IP) Protection Policy

Contents

Letter from Robert H.C. Tsao ................................................................. 2

Document Overview ........................................................................... 3

Production-Related IP Protection ..................................................... 4

Confidential Document Control ...................................................... 7

Employee Confidentiality Contract .................................................. 9

Employee Education and Training ................................................... 11

Audit and Compliance .................................................................... 12
To Our Valued Customers:

We are entering an era in which reusable intellectual property (IP) is rapidly becoming essential to the design of advanced semiconductors. This presents opportunities as well as challenges to IP developers, semiconductor designers, and foundries. Among the most basic issues is the security of IP – how its integrity and its content can be preserved and protected throughout a complex process that begins from an idea to the finished product.

This document represents our formal commitment to IP protection. Our policies on how IP is handled by UMC employees and how we audit compliance with these polices are described in detail. We will gladly respond to any of your questions regarding these policies and are eager to hear your suggestions on how they can be improved.

However, we all know that policies, procedures, and contracts are little more than words unless they are based on an underlying philosophy of trust and respect. That is why I am also sharing with you the three principles upon which our IP policies are based:

- **Integrity** – We insist on honesty with our customers and ourselves.
- **Partnership** – Long-term partnerships provide the greatest success and can only exist in an atmosphere of respect and mutual support.
- **Commitment** – UMC is committed to the success of our partners; only when that is achieved can we, too, achieve our goals.

These are high-sounding principles. Cynics would say they are out of place in the business world. We disagree. We believe our philosophy not only helps our customers and us prosper today, but will also ensure that we meet our long-term goals for success.

Please keep our standards in mind as you read our IP protection information. We hope that both the underlying principles and the detailed procedures described demonstrate our commitment to the security of your valuable IP.

Sincerely,

Robert H. C. Tsao
Chairman
IP Protection Policy – Document Overview

UMC is committed to protecting customer IP throughout the production cycle. Our policy addresses four primary areas, each of which is regularly validated by our internal and third-party audit program.

The four primary areas of this policy are:

- Production-related IP Protection
- Confidential Document Control
- Employee Confidentiality Contract
- Employee Training and Education

These four areas are summarized in this document. Flow charts illustrate the process that UMC follows in order to protect customer IP. This document provides a model and general explanation of this process.

If at any time you would like to obtain more detailed information or would like to personally audit the process, please contact us. We welcome your inquiries.
I. Production-Related IP Protection

UMC protects its customers’ IP in both physical and electronic formats throughout the semiconductor manufacturing cycle, including, but not limited to: database, WIP status, yield, masks, and wafers.

- UMC Production Code Assignment (confidentiality of customer part number)
UMC takes considerable precautions to encode customer-specific information and to limit access. Once UMC receives a customer’s order, we generate a “UMC Production Code” to replace the original customer product number (except when the customer requests otherwise). From that point forward, UMC tracks the order with the UMC designated number. The original customer product number is kept strictly confidential and is only disclosed to UMC employees on a need-to-know basis.

- Database Security
UMC employs high-level security for customer design and database information. The mask-tooling group receives a customer’s database in tape form or through electronic transmission to a password-protected directory. Access by customers and UMC employees is permitted solely on a need-to-know basis. The database is well protected during and after the mask tooling process. For example, the database is segregated physically and is stored separately from production and other information. Only those employees with specific ‘need to know’ for mask tooling purposes are permitted access. Database media storage and management integrity is ensured by Document Control (DC) under our Quality and Reliability Assurance (Q&RA) department.
Mask & Patterned Wafer Management
UMC safeguards masks and patterned wafers so they are used only for the benefit of the customer for which they were created. Quality Assurance (QA) personnel enforce the consistency of mask and wafer utilization and disposition, and these precautions can be monitored by our customers through specific records and reports generated for that purpose.
II. Confidential Document Control (DC)

UMC has established a stringent process for managing and protecting our customers’ confidential documents. Every copy of every confidential document is separately numbered and tracked, and can be distributed to a UMC employee only on a need-to-know basis. All copies of customer confidential documents are regularly accounted for, and are returned and disposed of according to the UMC DC process when usage needs have expired.

Receipt and Management of Incoming Confidential Documents:
Application and Distribution of Confidential Documents:

Fab's DC Document:

1. Agreed by Originating Dept. Manager
2. (If Incoming Doc) Agreed by CS/CE Dept. Director
3. Approved by Document Site's QA
4. Copy, Delivery and Sign For

UMC Managed:

1. (If not released) Agreed by Originating Dept. Director
2. Approved by UMC Executives
3. Copy, Delivery and Sign For

Disposition of Confidential Documents:

When Usage is Completed:  When Employee Quits or Changes Job Duties:

Fab's DC Document:

1. Returned to Original Site DC
2. Disposed by Original Site DC

UMC Managed:

1. Original Site DC Inform Employee
2. Returned to Original Site DC
3. Disposed by Original Site DC
III. Employee Confidentiality Contract

To provide further assurance that all UMC employees are fully aware of, and sensitive to, the critical importance of protecting customers’ rights, all UMC employees sign applicable confidentiality contracts upon joining UMC. These agreements affirm that our personnel will comply with UMC IP Protection regulations. Employees regularly attend seminars designed to reinforce the importance of customers’ rights regarding confidential information. UMC periodically audits personnel files to verify that all employees have signed our confidentiality contracts.

The translated UMC employee confidentiality contract reads:

Contract of Employment

United Microelectronics Corp. (“UMC”) and ___________ (“Employee”) agree to the following conditions of employment.

1. During their employment, Employee shall abide by all of UMC’s management regulations (including those concerning confidentiality), and those regulations will be part of this Agreement.

2. All data, research reports, publications etc. produced during UMC employment shall be the property of UMC and may not be publicized without UMC’s approval.

3. Employee shall maintain the confidentiality of UMC:

   a. Employee shall faithfully comply with all company regulations regarding the preservation of corporate secrets, and may not disclose corporate secrets.

   b. Employee may not publicize matters relating to their work.

   c. Employee may not refer to corporate secrets in their personal communications or writings, nor in telephone conversations.

   d. If Employee discovers or suspects that a corporate secret has been revealed, they must immediately report this to their superior.

   e. Before Employee leaves UMC, they must return to UMC all instruments and information entrusted to them, as well as any reproductions, copies, photocopies, summaries, excerpts, or translations of any such matters.

   f. Both during employment and after, Employee shall do their utmost to prevent any third party from acquiring or becoming aware of corporate secrets and other information relating to UMC or its operations (including reproductions, copies, syntheses, photocopies, handwritten copies, excerpts, and translations). Employee must keep strictly confidential all wafer foundry customers’ information including
but not limited to design schematics, database electronic media, masks, patterned wafers, finished wafers, and other customer confidential information, safeguarding such information at all times.

(g) After leaving UMC, Employee may not use, publicize, or disclose to a third party any of the equipment, data, knowledge, or information noted above, without express prior approval of UMC.

4. Employee agrees that in the event of any violation of the stipulation of Paragraph One, Two, or Three above, they shall be liable to prosecution under Article 317 (Violation of Confidentiality) and Article 342 (Breach of Trust) of the Criminal Code, and UMC shall have the right to immediate and full legal action.

For UMC: _____________________  For Employee: _________________

- Re-affirmation and Verification of Confidentiality Upon Leaving UMC

All employees sign a departure certification upon their last day of employment confirming that they knew of and have obeyed all regulations and obligations as stated in the “Employee Contract.”

In appropriate cases, UMC will forward a letter to the departed employee’s new employer stating that the employee has agreed to keep confidential all UMC customer business matters and requesting the new employer to help maintain this confidentiality.
IV. Employee Education and Training

For the purpose of protecting customers’ rights and earning their trust, UMC provides a series of mandatory training courses for its employees. All employees at every level take periodic refresher courses to serve as a constant reminder and reinforcement of their obligations with respect to intellectual property, including our customers’ confidential information. Topics for these courses include IP Importance, Significance, and Laws; IP Protection; Protection of Customer Rights in IP; Protection of Masks, Databases, and Wafers; Protection of Confidential Documents and Information; and so forth. Attendance by all employees is tracked and audited regularly. To ensure attentiveness, effectiveness, and an opportunity for students to have their questions addressed, all of UMC’s training courses are conducted by live instructors in a classroom setting.
V. Audit and Compliance

In order to secure the highest level of quality on a consistent basis, UMC implements a comprehensive “Quality Management Audit” (QMA) program. In this program, representatives from each area of our operations are assigned the specific task of monitoring our quality and compliance. On a regular basis, these teams examine our operations to ensure that each group is meeting or exceeding our standards. As part of this QMA, we...
In USA:

UMC USA
488 De Guigne Drive,
Sunnyvale, CA 94085, USA
Tel: 1-408-523-7800
Fax: 1-408-733-8090
Email: sales@umc.com

1601 Trapelo Road
Bldg.C, 2nd Floor
Waltham, MA 02451, USA
Tel: 1-781-290-2390
Fax: 1-781-290-2391

In Asia:

UMC
No. 3, Li-Hsin 2nd Road,
Science-Based Industrial Park,
Hsinchu City, Taiwan, R.O.C.
Tel: 886-3-578-2258
Fax: 886-3-577-9392
Email: foundry@umc.com

In Europe:

UMC Europe BV
Hogehilweg 19,
1101 CB Amsterdam,
The Netherlands
Tel: 31-20-697-0766
Fax: 31-20-697-7826
Email: europe@umc.com

In Japan:

UMC Japan
7F, Niikura Bldg.,
2-2, Kandatsukasa-Cho,
Chiyoda-Ku, Tokyo,
101-0048, Japan
Tel: 81-3-5294-2701
Fax: 81-3-5294-2707
Email: foundry@fdry.co.jp

All contents copyright 1999-2002 UMC. All rights reserved.