

## UMC Ethical Corporate Management Best Practice Principles

### Article 1

In order to foster a corporate culture of ethical management and sound development, the company is advised to adopt these principles applicable to its subsidiaries and other institutions or juridical persons which are substantially controlled by such company.

### Article 2

When engaging in its commercial activities, directors, managers, employees, and agents or persons having substantial control over such companies ("company personnel") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

### Article 3

"Benefits" in these Principles means any element of value, including money, endowments, commission, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

### Article 4

The company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

### Article 5

The company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance, risk control and management mechanisms to create an operational environment for sustainable development.

### Article 6

According to its preceding policy, the company shall prescribe specific ethical

management practices and programs to deter unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

#### Article 7

Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

#### Article 8

The company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The company clearly specifies in its rules and external documents the ethical corporate management policies and the commitment by the board of directors and the management on rigorous and thorough implementation of such policies, and carries out the policies in internal management and in commercial activities.

The company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

#### Article 9

The company engages in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the company will take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and will avoid any dealings with persons so involved.

#### Article 10

When conducting business, the company and its personnel may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

#### Article 11

When directly or indirectly offering a donation to political parties, organizations or

individuals participating in political activities, the company and its personnel shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

#### Article 12

When making or offering donations and sponsorship, the company and its personnel shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

#### Article 13

The company and its personnel shall not directly or indirectly offer or accept any unreasonable gifts, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

#### Article 14

The company and its personnel shall observe applicable laws and regulations, internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

#### Article 15

The company shall engage in business activities in accordance with applicable competition laws and regulations, and may not make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

#### Article 16

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the company and its personnel observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to prevent their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

#### Article 17

The personnel of the company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, while always reviewing the results of the preventive measures and continually making adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the relevant competent authority shall be responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and report to the board of directors annually.

#### Article 18

The personnel of the company shall comply with laws and regulations and the prevention programs when conducting business.

#### Article 19

The company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.

#### Article 20

The company shall establish effective accounting systems and internal control systems for business activities that may possibly be at higher risk of being involved in unethical conduct, not have under-the-table or secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the company shall devise relevant audit plans based on the results of assessment of the risk of involvement in unethical conduct, which plans shall include parties to audit and audit scope, items and frequency etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management team and reduced to writing in the form of an audit report to be submitted to the board of directors.

#### Article 21

The company establishes "UMC Code of Conduct", "UMC Board of Directors and

Managers Code of Ethics", and "UMC Employee Code of Conduct" to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business.

#### Article 22

The company shall periodically organize training and awareness programs for company personnel, and should execute reward and discipline systems according to the relevant rules of the company, so they understand the companies' resolve to implement ethical corporate management, related policies, prevention programs, and the consequences of engaging in unethical conduct.

#### Article 23

The company shall establish a whistle-blowing system and guarantee the confidentiality of the identity of whistle-blowers and the content of reported cases.

#### Article 24

The company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall properly make the announcement on the company's internal website including the title and details of the violation, and the actions taken in response.

#### Article 25

The company shall continuously assess the promotional effectiveness promotion of its ethical management policy. The company shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, and the effectiveness of promotion on company websites, annual reports, and prospectuses, and shall disclose ethical corporate management best practice principles on the Market Observation Post System (MOPS).

#### Article 26

The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, which the company will base its review and improvements for its adopted ethical corporate management policies and measures in order to achieve better implementation of ethical management.

#### Article 27

The principles shall be implemented after the board of directors grants approval. The same procedure shall be followed when the principles have been amended.