

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young
Taipei, Taiwan
Republic of China
April 28, 2020

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Cheng-Li Huang and Wenyi Chu, two of our independent directors and members of the audit committee, qualify as audit committee financial experts as defined in Item 16A of Form 20-F and are independent in accordance with the applicable requirements of Rule 10A-3 of the Securities Exchange Act of 1934 requirement.

The U.S. SEC has indicated that the designation of Dr. Huang and Dr. Chu as the audit committee financial experts does not: (i) make Dr. Huang or Dr. Chu an “expert” for any purpose, including without limitation for purposes of Section 11 of the Securities Act of 1933, as amended, as a result of this designation; (ii) impose any duties, obligations or liability on Dr. Huang or Dr. Chu that are greater than those imposed on them as a member of the audit committee and our board of directors in the absence of such designation; or (iii) affect the duties, obligations or liability of any other member of the audit committee or our board of directors.

ITEM 16B. CODE OF ETHICS

We amended the Code of Ethics for Directors and Officers in November 2017, and the Employee Code of Conduct in February 2020. The Employee Code of Conduct, which is applicable to all employees, replaced the code of ethics filed with the U.S. SEC in our 2003 annual report on Form 20-F. We have also created a separate code of ethics applicable to our directors and officers. A copy of each of the Code of Ethics for Directors and Officers and the Employee Code of Conduct are displayed on our website at [http://www.umc.com/english/pdf/Code of Ethics.pdf](http://www.umc.com/english/pdf/Code%20of%20Ethics.pdf) and [http://www.umc.com/english/pdf/Code of Conduct.pdf](http://www.umc.com/english/pdf/Code%20of%20Conduct.pdf), respectively. Stockholders may request a hard copy of the Code of Ethics for Directors and Officers and the Employee Code of Conduct free of charge. Please contact the investor relations department of our company at ir@umc.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by Ernst & Young, our principal external auditors, for the years indicated.

	Years ended December 31,		
	2018	2019	
	NT\$	NT\$	US\$
	(in thousands)		
Audit Fees ⁽¹⁾	52,794	62,040	2,074
Audit-related Fees ⁽²⁾	1,283	1,095	37
Tax Fees ⁽³⁾	4,304	3,943	132
Total	<u>58,381</u>	<u>67,078</u>	<u>2,243</u>

- (1) Audit fees consist of fees associated with the annual audit, review of our quarterly financial statements, statutory audits and internal control review. They also include fees billed for those services that are normally provided by the independent accountants in connection with statutory and regulatory filings.
- (2) Audit-related fees consist of fees billed for assurance and services related to the performance of the audit or review of our financial statements but not described in footnote (1) above. These services include certification of our Singapore Branch to Singapore authorities and application for corporation registration.
- (3) Tax fees include fees billed for professional services rendered by Ernst & Young, primarily in connection with our tax compliance activities.

All audit and non-audit services performed by Ernst & Young were pre-approved by our audit committee. In certain circumstances, the audit committee delegates to one designated member to pre-approve such audit and non-audit services. Pre-approval by a designated member should be reported to the audit committee at its upcoming meeting.