

**Taiwan Semiconductor Manufacturing Company Limited (the "Company")**  
**Audit Committee Charter**

**I Purpose.**

The Audit Committee (the "Committee") of the Board of Directors (the "Board") assists the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company. The Committee will perform the responsibilities set forth in Article III of this Charter.

**II. Membership.**

The membership of the Committee consists of all of the independent Directors of the Company. The tenure of office of the Committee members shall be consistent with their tenure as an independent Director of the Company.

Each member of the Committee should be financially literate. The Committee shall designate one or more individuals as a "financial expert" in accordance with the rules and regulations of the U.S. Security and Exchange Commission and the R.O.C. Securities and Exchange Act.

**III. Responsibilities.**

The responsibilities of the Committee are to:

1. Review with management the Company's quarterly and annual audited financial statements, and any related press releases and earnings guidance, including major issues regarding accounting and auditing principles, practices, and judgments as well as the adequacy of internal controls that could significantly affect the Company's financial statements.
2. Consult with management and the Company's internal auditors, concerning the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures.
3. Review any analysis and findings prepared by management or the independent auditors, and any material written communications between the independent auditors and management, of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including an analysis of the effect of alternative GAAP methods on the Company's

- financial statements, any critical accounting policies, the effect of off-balance sheet arrangements (if any), any related third party transactions, and the use of non-GAAP financial measures.
4. Review major issues regarding the Company's auditing and accounting principles and practices including changes suggested by the independent auditors, internal auditors, or management, major issues as to adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, and the effect of regulatory and accounting initiatives.
  5. Appoint and terminate, subject to the approval of the Board, the Company's independent auditors, including the approval of all fees to be paid to the independent auditors, and oversee the work performed by the independent auditors for the purpose of preparing or issuing an audit report or related work and by any other accounting firm performing other audit, review or attest services, and inform such firms that they shall report directly to the Committee. Review the performance and independence of the independent auditors and other accounting firms performing other audit, non-audit, review, or attest services and remove them if circumstances warrant.
  6. Review with the independent auditors any audit problems or difficulties and management's response. Oversee the resolution of any disagreements between management and the independent auditors or any other accounting firms.
  7. Review and approve in advance the retention of the independent auditors for any nonaudit services and the fee for such services (other than as permitted under the *de minimis* exceptions under the Sarbanes-Oxley Act, or other applicable laws or regulations). This duty may be delegated to one or more designated members of the Committee and reviewed and ratified by the Committee at its next regularly scheduled meeting. The Committee shall not approve any nonaudit services prohibited by the Sarbanes-Oxley Act, the R.O.C. Securities and Exchange Act, or the rules promulgated under those Acts, or other applicable laws or regulations.
  8. Require independent auditors to submit written statements delineating all relationships between the independent auditors and the Company and discuss any such disclosed relationships and their impact on independent auditors independence including performance of permissible nonaudit services, rotation of audit partners, and hiring of employees of the independent auditors.
  9. Review the significant reports to management prepared by the Company's internal auditing department and management's responses.
  10. Annually prepare any reports to shareholders that may be required from time to time by relevant regulators and government agencies.
  11. Establish and maintain procedures for: (i) the receipt, retention, and treatment of complaints regarding financial fraud, accounting, internal accounting controls, or auditing matters; (ii) the confidential, and anonymous to management, submission

- by the Company employees regarding questionable accounting or auditing matters; and (iii) making available to employees the procedures.
12. Review management's monitoring of the Company's compliance with the Company's ethical code and corporate securities trading policies.
  13. Review with the Company's general counsel, inquiries received from regulators or government authorities and any other legal matters that could have a significant effect on the Company's financial statements.
  14. Review management's compliance with the Company's risk management policy and procedures.
  15. Perform the duties and powers of a company supervisor as specified under the applicable laws and regulations of the Republic of China.
  16. Perform any other activities consistent with this Charter, the Company's Articles of Incorporation, and governing law, as the Committee or the Board deems necessary or appropriate.
  17. Annually conduct a self-audit of the Committee's performance.
  18. Maintain minutes of all meetings and periodically report to the Board on significant results of any of the foregoing activities.

In performance of the above responsibilities, the Committee is authorized: (i) to conduct any investigation appropriate to fulfilling its responsibilities; (ii) at all times to have direct access to the Company's independent auditors, as well as to all books, records, facilities, and personnel of the Company; and (iii) to engage and retain special legal, accounting, or other consultants it deems necessary in the performance of its duties. The Company shall provide appropriate funding: (i) for compensation to the independent auditors or any other accounting firm performing other audit, review, or attest services; (ii) to any advisors that the Committee chooses to engage; and (iii) for the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

#### **IV. Meetings.**

The Committee meetings shall be held at least once every quarter; additional meetings may be scheduled as required. If a Committee member cannot attend the meeting, he/she may designate another Committee member to attend on his/her behalf; under such event, a delegation letter specifying the specific scope of delegation shall be issued. Each Committee member can only accept one designation letter to act on behalf of another Committee member at each meeting. A signing booklet shall be prepared at each meeting for the attending members to sign. The signing booklet shall be kept throughout the life of the Company.

Upon nomination of the Chairman of the Board, the Committee members shall elect one Chairperson (the "Chair") from amongst themselves by majority vote of the Committee membership. If the Chair cannot convene or is unable to attend a meeting, the Chair shall designate one of the Committee members to act on his/her behalf; failing such designation, the members of the Committee may designate one member to act on behalf of the Chair by majority vote of the Committee membership.

The Committee will invite members of management, the internal audit department, the independent auditors, legal consultants, or others to attend meetings and provide pertinent information, as necessary, while any non-Committee member so invited shall vacate before a proposed resolution is discussed and resolved. It may hold private meetings with auditors and in executive session. Except in the case of an emergency, meeting agendas will be provided to members at least seven days before the meetings, along with appropriate briefing materials.

A Committee member whose interests conflict with the agenda item shall disclose the nature of such conflict and recuse himself/herself from discussing and resolving matters; nor can he/she resolve matters as a proxy for another Committee member. The meeting minutes shall properly record the aforesaid situation in accordance with the relevant regulations.

The resolutions of the Committee shall be: adopted by a majority of the members; announced in the meetings; and shall be recorded in writing. The meetings minutes shall be affixed with the signature or seal of the Chair of the meeting and the recorder, and shall be distributed to all Committee members within twenty days after the meeting. All meeting minutes shall be kept throughout the life of the Company.

Every meeting shall be recorded digitally in audio and/or visual format. The recordings shall be retained for at least five years. If a Committee meeting is held via video conference, the video recording shall be part of the meeting minutes and be permanently retained throughout the life of the Company.

## **V. Annual Review.**

The Committee shall review and reassess the adequacy of its Charter at least annually and recommend any proposed changes to the Board for approval. The Committee shall cause the Charter to be "published" in accordance with applicable laws and regulations.

**Amended and Adopted:** November 14, 2017