

Taiwan Semiconductor Manufacturing Company Limited
Complaint Policy and Procedures for Certain
Accounting & Legal Matters

1. Policy.

TSMC (the "Company") is committed to complying with all relevant laws and regulations, such as anti-corruption, anti-bribery laws, or anti-trust laws and accounting standards, accounting controls and audit practices (the "Accounting & Legal Matters").

Any (i) employee, agent, consultant, officer, director of the Company; (ii) any relevant stakeholder of the Company (such as its major suppliers, creditors, shareholders, contractors, contracting counterparty, business partners, etc.); and (iii) any other third party with relevant evidence may submit in good faith any tip or complaint ("Complaint") with respect to issues of concern regarding Accounting & Legal Matters of the Company without fear of dismissal or retaliation of any kind.

In order to facilitate the reporting of any Complaints, the Company has established the following procedures for (a) the receipt, retention, and treatment of complaints regarding Accounting & Legal Matters, and (b) the confidential submission by employees of concerns regarding questionable accounting or auditing matters.

Any government or quasi-government regulatory or administrative agency ("Government Agency") from time-to-time may contact the Company or the Company's Audit Committee to discuss any matters relating to complaint(s) that had been submitted directly to the Government Agency by whistleblower(s) who choose to provide complaints to the relevant government agency and not to the Company. The Company shall keep such matter confidential and refer such matter ("Government Agency Notice") to the Audit Committee for further handling in accordance with Section 3 below.

2. Procedures for the Receipt of Complaints.

Though a Complaint is not required to furnish any more information than the complainant wishes, critical information for Complaint evaluation includes:

- Complainant's name, mail and email addresses, and telephone numbers.
- The name, mail and email addresses, telephone numbers, and website address of any individual or company mentioned in the Complaint.
- For Complaints about any instances of corruption, bribery or collusive activities involving the Company, specific details of how, why, and when the complainants were involved in or learned of such instances.

Any complaint regarding the Company's handling of Accounting & Legal Matters may be submitted according to either one of the following procedures:

1) Through the Company's Ombudsman:

Employees with concerns regarding Accounting & Legal Matters may report those concerns to the Company's Ombudsman as follows:

- (i) by sending a secured confidential e-mail to the Ombudsman's secured-access email address (accessible through the Company's internal website). The confidential, e-mail address will ensure that the identity of the sender of the e-mail will be known only to the Ombudsman, or
- (ii) by submitting in a sealed envelope a confidential letter to the Ombudsman at the mailing address listed in Company's internal website.

2) Through the Company's Audit Committee:

The Company's Board of Directors has established an Audit Committee to review the Company's Accounting & Legal Matters from time-to-time. The complainant may choose to contact the Audit Committee directly in writing and forwarded in a sealed envelope to the chairman of the Audit Committee, in care of the Company's General Counsel. The envelope should be labeled with some type of legend to indicate confidentiality such as: **"To be opened by the Audit Committee only. Being submitted pursuant to the TSMC Complaint Policy and Procedures for Certain Accounting & Legal Matters"**. Any such envelope received by the Company's General Counsel shall be forwarded promptly and unopened to the chairman of the Audit Committee.

If an employee would like to discuss any matter of concern with the Audit Committee, the employee should indicate this interest in the submission

and include a telephone number at which he or she might be contacted if the Audit Committee deems it appropriate.

The complainant may also choose to e-mail his or her concern to the chairman of the Audit Committee through the Audit Committee's special e-mail secured access address listed in the Company's internal website.

3. Procedures for the Handling and Treatment of Complaints.

- 1) Upon the receipt of a complaint or a Government Agency Notice, the Ombudsman or chairman of the Audit Committee, as the case may be, shall make a written record of the receipt of the complaint and mark and treat it as secured information to ensure its confidentiality. The Ombudsman or Audit Committee chairman shall acknowledge to the complainant receipt of the complaint wherever possible. Immediately upon receipt, the receiving party should conduct an initial preliminary investigation and, if applicable, establish a plan with the relevant government agency as how to best proceed to handle the Government Agency Notice and the nature of authority required to bind the Company to agency actions, if any.
- 2) The Ombudsman or Audit Committee chairman shall notify the Audit Committee members, in writing, of the receipt of such complaint and the result of the initial investigation or results of discussions with the relevant government agency within thirty (30) days of receipt of the relevant complaint or notice. The person should also report such information at the next regularly scheduled Audit Committee meeting. In case of handling a Government Agency Notice, the Audit Committee chairman may wish to convene an emergency Audit Committee meeting, if necessary, to discuss the handling of the matter with the assistance of outside independent counsel. The chairman of the Audit Committee shall recommend to the Board of Directors the actions to be taken with respect to the handling and resolution of any Government Agency Complaint, when appropriate.
- 3) Upon receipt of the initial investigation report or Government Agency Notice, the Audit Committee will determine, on a case-by-case basis, any further investigation procedures for the complaint, including the delegation

of the investigation authority either to the Ombudsman or to other designated persons, such as Audit Committee members, in-house or outside legal counsel, accounting, or other advisors as appropriate.

- 4) Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate and thorough investigation and review.
- 5) Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.

4. Procedures for the Retention of Complaints.

The Audit Committee meeting minutes and other written records should document the actions of the Ombudsman, Audit Committee, and its designated investigating party regarding each complaint received. All written records regarding each complaint should be kept in a secured complaint investigation file. The completed investigation file should be stored confidentially in secured files independently maintained, to be determined by the Audit Committee and retained in accordance with TSMC's Records Retention and Disposal Policy.

5. No Retaliatory Action Allowed.

The Company, its officers, directors, employees, agents or consultants will not discharge, demote, suspend, threaten, harass or in any manner discriminate or retaliate against any employee in the terms and conditions of ongoing employment based upon any lawful actions of such employee with respect to good faith reporting of complaints regarding the Accounting & Legal Matters.

Date Adopted: February 16, 2004

Revised: November 8, 2010