



3. CORPORATE GOVERNANCE

TSMC advocates and acts upon the principles of operational transparency and respect for shareholder rights. We believe that the basis for successful corporate governance is a sound and effective Board of Directors. In line with this principle, TSMC's Board of Directors established an Audit Committee in 2002 and a Compensation Committee in 2003.

TSMC's corporate governance won international recognition in 2009: *Corporate Governance Asia* honored TSMC with its "Corporate Governance Asia Recognition in Taiwan". *FinanceAsia Magazine* ranked TSMC's corporate governance as the best among all companies in Taiwan with its "Best at Corporate Governance" for the Taiwan region.

3.1 Board of Directors

TSMC's Board of Directors consists of seven (Note) distinguished members with a great breadth of experience as world-class business leaders or scholars. Three of the seven members are independent directors: former British Telecommunications Chief Executive Officer, Sir Peter Bonfield; former Acer Group Chairman, Mr. Stan Shih; and former Texas Instrument Inc. Chairman of the Board, Mr. Thomas J. Engibous. Under the leadership of Chairman Morris Chang, TSMC's Board of Directors takes a serious and forthright approach to its duties and is a serious, competent and independent Board.

In the spirit of Chairman Chang's approach to corporate governance, a board of directors' primary duty is to supervise. The Board should supervise the Company's: compliance with relevant laws and regulations; financial transparency; timely disclosure of material information, and maintaining of highest integrity within the Company. TSMC's Board of Directors strives to perform through the Audit Committee and the Compensation Committee, the hiring of a financial expert for the Audit Committee, coordination with the Internal Audit department, and through the ombudsman reporting system.

The second duty of the board of directors is to provide guidance to the management team of the Company. Quarterly, TSMC's management reports to the TSMC Board on a variety of subjects. The management also reviews the Company's business strategies with the Board. Furthermore, the management often reviews with and updates TSMC's Board on the progress of the strategies, obtaining Board guidance as appropriate.

The third duty of the Board of Directors is to evaluate the management's performance and to dismiss officers of the Company when necessary. TSMC's management has maintained a healthy and functional communication with TSMC Board of Directors, has been devoted in executing guidance of TSMC Board of Directors, and is dedicated in running the business operations, all to achieve the best interests for TSMC shareholders.

Note: Throughout most of 2009, TSMC's Board of Directors consisted of eight directors. Ms. Carleton Fiorina resigned as an independent director of TSMC on November 30, 2009, because she planned to devote her full time and energy to US senatorial campaign.



Board of Directors Meeting Status

Dr. Morris Chang, the Chairman of the Board of Directors, convened four regular meetings and three special meetings in 2009. The directors' attendance status is as follows:

| Title | Name | Attendance in Person | By Proxy | Attendance Rate in Person (%) | Notes |
|----------------------|--|----------------------|----------|-------------------------------|---|
| Chairman | Morris Chang | 7 | 0 | 100% | Renewal of office (Re-elected on June 10) |
| Vice Chairman | F.C. Tseng | 7 | 0 | 100% | Renewal of office (Re-elected on June 10) |
| Director | National Development Fund, Executive Yuan Representative: Tian-Jy Chen | 2 | 5 | 29% | Renewal of office (Re-elected on June 10) The former representative of the National Development Fund, Mr. Chintay Shih, resigned on November 10, 2008. Mr. Tian-Jy Chen was appointed as the representative on April 22, 2009. |
| Director | Rick Tsai | 7 | 0 | 100% | Renewal of office (Re-elected on June 10) |
| Independent Director | Sir Peter Leahy Bonfield | 4 | 3 | 57% | Renewal of office (Re-elected on June 10) Sir Peter Bonfield participated in the discussion through telephone at two Special Meetings, represented by proxy. |
| Independent Director | Lester Carl Thurow | 0 | 2 | 0% | Term Expired (Professor Thurow's tenure expired on June 9, 2009 because he was not re-elected at the 2009 Annual Shareholders' Meeting.) |
| Independent Director | Stan Shih | 7 | 0 | 100% | Renewal of office (Re-elected on June 10) |
| Independent Director | Carleton (Carly) S. Fiorina | 1 | 5 | 17% | Renewal of office (Re-elected on June 10) Ms. Fiorina resigned as an independent director of TSMC on November 30, 2009. Ms. Fiorina participated in the discussion through telephone at one special meeting, represented by proxy. |
| Independent Director | Thomas J. Engibous | 3 | 0 | 75% | New office assumed (Elected on June 10) Mr. Engibous attended via telephone at one special meeting. |

Annotations:

- In 2009, there were no written or otherwise recorded resolutions on which an independent director had a dissenting opinion or qualified opinion.
- There were no recusals of Directors due to conflicts of interests in 2009.
- Measures taken to strengthen the functionality of the Board: We believe that the basis for successful corporate governance is a sound and effective Board of Directors. In line with this principle, TSMC's Board of Directors has established an Audit Committee and a Compensation Committee to assist the Board in carrying out its various duties.

3.1.1 Audit Committee

The Audit Committee assists the Board in carrying out its financial oversight responsibilities and other duties as set forth in the Company Act, the Securities and Exchange Act, and other applicable laws and regulations. Matters required to be reviewed by the Audit Committee include the Company's: financial reports; auditing and accounting policies and procedures; internal control systems; material asset or derivatives transactions; offering or issuance of any equity-type securities; hiring or dismissal of an attesting CPA, or the compensation given thereto; and appointment or discharge of financial, accounting, or internal auditing officers.

TSMC's Audit Committee is empowered by its Charter to conduct any study or investigation it deems appropriate to fulfill its responsibilities. It has direct access to TSMC's internal auditors, the Company's independent auditors, and all employees of the Company. The Committee is authorized to retain and oversee special legal, accounting, or other consultants as it deems appropriate to fulfill its mandate.

As of February 2010, the Audit Committee was comprised of all three independent directors and had engaged a financial expert consultant. The Audit Committee Charter is available on TSMC's corporate website.

Audit Committee Meeting Status

Sir Peter Bonfield, Chairman of the Audit Committee, convened four regular meetings and three special meetings in 2009. The Committee members' attendance status is as follows:

| Title | Name | Attendance in Person | By Proxy | Attendance Rate in Person (%) | Notes |
|------------------|-----------------------------|----------------------|----------|-------------------------------|--|
| Chair | Sir Peter Leahy Bonfield | 7 | 0 | 100% | Renewal of office (Note) |
| Member | Lester Carl Thurow | 1 | 2 | 33% | Term Expired (After the re-election of the Board of Directors at the 2009 Annual Shareholders' Meeting on June 10, 2009, Professor Thurow did not become a member of the Audit Committee.) |
| Member | Stan Shih | 7 | 0 | 100% | Renewal of office (Note) |
| Member | Carleton (Carly) S. Fiorina | 3 | 2 | 43% | Renewal of office (Note) Ms. Fiorina resigned on November 30, 2009. |
| Member | Thomas J. Engibous | 4 | 0 | 100% | New office assumed (Note) |
| Financial Expert | J.C. Lobbezoo | 7 | 0 | 100% | None |

Annotations:

- Resolution under Securities and Exchange Act §14-5 that was not submitted to the Audit Committee* but approved by all directors at the Board of Director's special meeting held on December 9, 2009:
Resolution: To approve investment in an amount not exceeding NT\$6,300 million in Motech Industries, Inc.
* The urgency of the matter required an immediate resolution. Since most of the Audit Committee members were overseas, the meeting could not be effectively convened. Therefore, the matter was not submitted to the Audit Committee for approval, but it was approved by all the directors present at the Board of Director's special meeting held on December 9, 2009.
- There were no recusals of independent directors due to conflicts of interests in 2009.
- Descriptions of the communications between the independent directors, the internal auditors, and the independent auditors in 2009 (e.g. the channels, items and/or results of the audits on the corporate finance and/or operations, etc.):
 - The internal auditors have sent the audit reports to the members of the Audit Committee periodically, and presented the findings of all audit reports in the quarterly meetings of the Audit Committee. The head of Internal Audit will immediately report to the members of the Audit Committee any material matters. During 2009, the head of Internal Audit did not report any irregularity. The communication channel between the Audit Committee and the internal auditor functioned well.
 - The Company's independent auditors have presented the findings of their quarterly audits on the company's financial results. Under applicable laws and regulations, the independent auditors are also required to immediately communicate to the Audit Committee any material matters that they have discovered. During 2009, the Company's independent auditors did not report any irregularity. The communication channel between the Audit Committee and the independent auditors functioned well.

Note: Sir Peter Leahy Bonfield, Mr. Stan Shih, Ms. Carleton Fiorina and Mr. Thomas J. Engibous were elected as TSMC's independent directors and became members of the Audit Committee on June 10, 2009.

3.1.2 Compensation Committee

The Compensation Committee assists the Board in discharging its responsibilities related to TSMC's compensation and benefits policies, plans and programs, and in the evaluation and compensation of TSMC's executives.

As of February 2010, the Compensation Committee was comprised of four members. All three independent directors served as voting members of the Committee; the Chairman of the Board, Dr. Morris Chang, was a non-voting member. The Compensation Committee Charter is available on TSMC's corporate website.

Compensation Committee Meeting Status

Mr. Stan Shih, Chairman of the Compensation Committee, convened four regular meetings in 2009. The Committee members' attendance status is as follows:

| Title | Name | Attendance in Person | Attendance Rate in Person (%) | Notes |
|--------|-----------------------------|----------------------|-------------------------------|---|
| Chair | Stan Shih | 4 | 100% | Renewal of office (Note) |
| Member | Morris Chang | 4 | 100% | Renewal of office (Note) |
| Member | Sir Peter Leahy Bonfield | 4 | 100% | Renewal of office (Note) |
| Member | Lester Carl Thurow | 0 | 0% | Term Expired (After the re-election of the Board of Directors at the 2009 Annual Shareholders' Meeting on June 10, 2009, Professor Thurow did not become a member of the Compensation Committee.) |
| Member | Carleton (Carly) S. Fiorina | 1 | 25% | Renewal of office (Note) Ms. Fiorina resigned on November 30, 2009. |
| Member | Thomas J. Engibous | 3 | 100% | New office assumed (Note) |

Note: Mr. Stan Shih, Sir Peter Leahy Bonfield, Ms. Carleton Fiorina and Mr. Thomas J. Engibous were elected as TSMC's independent directors and became members of the Compensation Committee on June 10, 2009. The Chairman of the Board, Dr. Morris Chang, was a non-voting member.

3.2 Taiwan Corporate Governance Implementation as Required by the Taiwan Financial Supervisory Commission

| Item | Implementation Status | Non-implementation and Its Reason(s) |
|---|--|--------------------------------------|
| 1. Shareholding Structure & Shareholders' Rights (1) Method of handling shareholder suggestions or complaints (2) The Company's possession of a list of major shareholders and a list of ultimate owners of these major shareholders (3) Risk management mechanism and "firewall" between the Company and its affiliates | TSMC has designated appropriate departments, such as Investor Relations, Public Relations, the SEC Compliance Department, Legal Department, etc., to handle shareholder suggestions or complaints. TSMC tracks the shareholdings of directors, officers, and shareholders holding more than 10% of the outstanding shares of TSMC. TSMC has established appropriate guidelines in its "Internal Control System" and "TSMC Invested Entity Governance and Management Policy". | None |
| 2. Composition and Responsibilities of the Board of Directors (1) Independent Directors (2) Regular evaluation of external auditors' independence | Sir Peter Leahy Bonfield, Prof. Lester Carl Thurow (Note 1), Mr. Stan Shih, Ms. Carleton (Carly) S. Fiorina (Note 2) and Mr. Thomas J. Engibous (Note 3) are the independent directors of TSMC. The TSMC Audit Committee regularly evaluates the independence of external auditors. | None |
| 3. Communication channel with stakeholders | TSMC has designated appropriate departments, such as Investor Relations, Public Relations, the SEC Compliance Department, etc., to communicate with stakeholders on a case by case basis, as needed. Furthermore, the contact information providing access to the Company's spokesperson and relevant departments is available on TSMC's website. | None |
| 4. Information Disclosure (1) Establishment of a corporate website to disclose information regarding the Company's financials, business and corporate governance status (2) Other information disclosure channels (e.g., maintaining an English-language website, designating people to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.) | TSMC discloses information through its website http://www.tsmc.com . Since TSMC is a foreign private issuer with American Depository Receipts listed on the New York Stock Exchange (NYSE), TSMC is subject to various NYSE regulations, one of which requires TSMC to disclose the significant ways in which its corporate governance practices differ from those followed by US domestic companies under NYSE listing standards. Such disclosure information may be found at the following web address: http://www.tsmc.com/download/english/e03_governance/NYSE_Section_303A.pdf TSMC has designated appropriate departments (e.g. Investor Relations, Public Relations, the SEC Compliance Department, etc.) to handle the collection and disclosure of information as required by the relevant laws and regulations of Taiwan and other jurisdictions. TSMC has designated spokespersons as required by relevant regulations. TSMC webcasts live investor conferences. | None |
| 5. Operations of the Company's Nomination Committee, Compensation Committee, or other committees of the Board of Directors | TSMC's Board of Directors has established an Audit Committee and a Compensation Committee. Please refer to the "Corporate Governance" section on pages 25-31 of this Annual Report for details. | None |

(Continued)

6. If the Company has established corporate governance policies based on TSE Corporate Governance Best Practice Principles, please describe any discrepancy between the policies and their implementation.

TSMC does not establish corporate governance policies. For the status of TSMC's corporate governance, please refer to the "Corporate Governance" section on pages 25-31 of this Annual Report.

7. Other important information to facilitate better understanding of the Company's corporate governance practices (e.g., employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors):

- (1) Status of employee rights and employee wellness: Please refer to the "Employees" section on pages 54-56 of this Annual Report.
- (2) Status of investor relations, supplier relations and rights of stakeholders: Please refer to the "Corporate Social Responsibility" on pages 69-75 of this Annual Report.
- (3) Status of Risk Management Policies and Risk Evaluation: Please refer to the "Risk Management" section on pages 62-67 of this Annual Report.
- (4) Status of Customer Relations Policies: Please refer to the "Customer Partnership" section on pages 52-53 of this Annual Report.
- (5) TSMC maintains D&O Insurance for its directors and officers.

8. If the Company has a self corporate governance evaluation or has authorized any other professional organization to conduct such an evaluation, the evaluation results, major deficiencies or suggestions, and improvements are stated as follows: None

TSMC's corporate governance won international recognition in 2009: *Corporate Governance Asia* honored TSMC with its "Corporate Governance Asia Recognition in Taiwan". *FinanceAsia Magazine* ranked TSMC's corporate governance as the best among all companies in Taiwan with its "Best at Corporate Governance" for the Taiwan region.

Note 1: Professor Lester Thrown's tenure expired on June 9, 2009 because he was not re-elected at the 2009 Annual Shareholders' Meeting.

Note 2: Ms. Carleton Fiorina resigned as an independent director of TSMC on November 30, 2009.

Note 3: Mr. Thomas Engibous was elected as TSMC's independent director at the 2009 Annual Shareholders' Meeting on June 10, 2009.

Continuing Education/Training of Directors in 2009

| Name | Date | Host by | Training/Speech Title | Duration |
|--|-------|---|--|----------|
| Morris Chang (Note) | 11/20 | Taiwan GreTai Securities Market | Corporate Social Responsibility in Taiwan | 0.5 hour |
| F.C. Tseng | 08/13 | Taiwan Corporate Governance Association | Facing the global financial crisis, how do companies deal with and create sustaining capabilities | 3 hours |
| Sir Peter Leahy Bonfield | 02/19 | Ericsson | Corporate Board Governance Programme | 1 day |
| | 11/23 | Mentor Graphics Corporation Inc. | Corporate Governance | 0.5 day |
| Morris Chang F.C. Tseng Sir Peter Leahy Bonfield Stan Shih Thomas J. Engibous Rick Tsai | 06/11 | TSMC | Speech: "Outlook of Taiwan Economy" by Minister Chen Tain-Jy, Council for Economic Planning and Development, the Executive Yuan | 0.5 hour |

1. From time to time, TSMC provides directors with information concerning regulatory requirements and developments as related to directors' activities. TSMC management also regularly presents updates on the Company's business and other information to directors.

2. Regular regulatory update reports are provided by TSMC's General Counsel and by the Company's independent auditors at the Audit Committee meetings.

Note: Selected speeches on corporate governance and related topics.

Continuing Education/Training of Management in 2009

| Title/Name | Date | Host by | Training | Duration |
|---|---------------|--|---|----------|
| Director Accounting Division Jessica Chou | 09/24 | Accounting Research and Development Foundation | Summary on the latest industrial developments and key points to financial analysis | 3 hours |
| | 11/11 | | Discussion on the advantages and action plans from directors, supervisors and executives in response to the implementation of IFRS (International Financial Reporting Standard) | 3 hours |
| | 11/11 | | Notice on the adoption of XBRL (Extensible Business Reporting Language) – Practice and best implementation actions | 3 hours |
| | 12/10 | | The legal responsibility, action plans and case study of "insider transactions" for insider in publicly-held companies | 3 hours |
| Director Internal Audit John Liang | 12/21 | Institute of Internal Audit – ROC (IIA) | Control Self-assessment: Facilitation Skills for Financial Reporting | 6 hours |
| | 03/06 - 03/07 | | 2009 IIA Conference: IA Value Creation & Corporate Governance | 12 hours |
| | 11/19 | | The Second Annual Chief Audit Executive Forum | 8 hours |
| Vice Presidents: Stephen T. Tso Mark Liu C.C. Wei Richard Thurston Lora Ho P.H. Chang Wei-Jen Lo Jason Chen Jack Sun Fu-Chieh Hsu Y.P. Chin N.S. Tsai | 06/11 | TSMC | Speech: "Outlook of Taiwan Economy" by Minister Chen Tain-Jy, Council for Economic Planning and Development, the Executive Yuan | 0.5 hour |

3.3 Major Resolutions of Shareholders' Meeting and Board Meetings

3.3.1 Major Resolutions of Shareholders' Meeting and Implementation Status

TSMC's 2009 regular Shareholders' Meeting was held in Hsinchu, Taiwan on June 10, 2009. At the meeting, shareholders present in person or by proxy approved the following resolutions:

- (1) The 2008 Business Report and Financial Statements
- (2) The distribution of 2008 profits
- (3) The capitalization of 2008 dividends, 2008 employee profit sharing, and capital surplus
- (4) The amendments to internal policies and rules as follows:
 - Procedures for Lending Funds to Other Parties
 - Procedures for Endorsement and Guarantee
- (5) Election of eight directors (including four independent directors)

Implementation Status: All the resolutions of the Shareholders' Meeting have been fully implemented in accordance with the resolutions.

The eight newly elected directors: Morris Chang, F.C. Tseng, Peter Leahy Bonfield (Independent Director), Stan Shih (Independent Director), Carleton Sneed Fiorina (Independent Director), Thomas J. Engibous (Independent Director), Tain-Jy Chen (representative of National Development Fund, Executive Yuan) and Rick Tsai

3.3.2 Major Resolutions of Board Meetings

During the 2009 calendar year, and through the period of January 1 to February 28, 2010, five regular board meetings and three special board meetings were convened. Major resolutions approved at these meetings are summarized below:

- (1) Regular Board Meeting of February 10, 2009:
 - approving 2008 business report and financial statements
 - approving distribution of 2008 profits, and the capitalization of dividends, employee profit sharing and capital surplus
 - convening the 2009 Annual Shareholders' Meeting
 - appointment of Dr. L. John Liang as the head of Internal Audit of TSMC
- (2) Special Board Meeting of April 17, 2009:
 - listing four qualified candidates for independent directors to stand for election at TSMC's 2009 regular Shareholders' Meeting
- (3) Regular Board Meeting of June 11, 2009:
 - election of Dr. Morris Chang as the Chairman and Dr. F.C. Tseng as the Vice Chairman of the Board of Directors
 - appointment of Dr. Morris Chang as Chief Executive Officer concurrent with his position as Chairman of the Board, effective June 12, 2009

- appointment of Dr. Rick Tsai as President of New Businesses, effective June 12, 2009
 - approving capital appropriation of US\$130 million
- (4) Regular Board Meeting of August 11, 2009:
 - approving capital appropriations of US\$1,166.8 million
 - approving 2009 semi-annual financial statements
 - appointment of L.C. Tu as Vice President of TSMC
 - (5) Regular Board Meeting of November 10, 2009:
 - approving capital appropriations of US\$2,541.4 million
 - appointment of Dr. Shang-yi Chiang as Senior Vice President of TSMC
 - appointment of Dr. Jack Sun as Chief Technology Officer of TSMC
 - approving acquisition of shares of Semiconductor Manufacturing International Corporation (SMIC) in accordance with relevant agreements executed between TSMC and SMIC. The actual acquisition of the SMIC shares shall be subject to the approval of the relevant regulatory authorities in charge.
 - (6) Special Board Meeting of December 9, 2009
 - approving investment in an amount not exceeding NT\$6,300 million in Motech Industries, Inc.
 - (7) Regular Board Meeting of February 8 & 9, 2010:
 - approving 2009 business report and financial statements
 - approving distribution of 2009 profits, and cash dividends and employee profit sharing
 - approving 2010 R&D and sustaining capital appropriations of US\$534.6 million
 - approving capital appropriations of US\$2,272.4 million
 - approving amendments to TSMC's Articles of Incorporation expanding the Company's business scope to encompass LED lighting and solar energy
 - convening the 2010 Annual Shareholders' Meeting

3.3.3 Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors from January 1, 2009 to February 28, 2010: None.

3.4 Internal Control System Execution Status

Taiwan Semiconductor Manufacturing Company Limited Statement of Internal Control System

Date: February 9, 2010

Based on the findings of a self-assessment, Taiwan Semiconductor Manufacturing Company Limited (TSMC) states the following with regard to its internal control system during the period from January 1, 2009 to December 31, 2009:

1. TSMC is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. TSMC has established such a system aimed at providing reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), (2) reliability of financial reporting, and (3) compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Moreover, the effectiveness of an internal control system may be subject to changes of environment or circumstances. Nevertheless, the internal control system of TSMC contains self-monitoring mechanisms, and TSMC takes corrective actions whenever a deficiency is identified.
3. TSMC evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment and response, (3) control activities, (4) information and communication, and (5) monitoring. Each component further contains several items. Please refer to the Regulations for details.
4. TSMC has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, TSMC believes that, during the year 2009, its internal control system (including its supervision and management of subsidiaries), as well as its internal controls to monitor the achievement of its objectives concerning operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will be an integral part of TSMC's Annual Report for the year 2009 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors in their meeting held on February 9, 2010, with zero of the seven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Taiwan Semiconductor Manufacturing Company Limited



Morris Chang,
Chairman & Chief Executive Officer

The disclosure of the external auditors' opinion on TSMC's internal control is not applicable.

3.5 Status of Personnel Responsible for Preparing Financial Reports

3.5.1 Resignation or Dismissal of Personnel Responsible for Financial Report

| Title | Name | Date Effective | Date Resigned/Dismissed | Reasons for Resignation or Dismissal |
|-----------------------------------|--------------------|----------------|-------------------------|---|
| President & CEO | Rick Tsai | 07/01/2005 | 06/11/2009 | Dr. Tsai was assigned as President of New Businesses, effective on June 12, 2009. |
| Senior Director Internal Audit | Jan Kees van Vliet | 12/02/2003 | 02/10/2009 | Mr. van Vliet was transferred to other department. |

3.5.2 Certification Details of Employees Whose Jobs are Related to the Release of the Company's Financial Information

| Certification | Number of Employees | |
|---|---------------------|---------|
| | Internal Audit | Finance |
| Certified Public Accountants (CPA) | 1 | 16 |
| US Certified Public Accountants (US CPA) | 1 | 6 |
| Certified Internal Auditor (CIA) | 4 | 4 |
| Chartered Financial Analyst (CFA) | 0 | 3 |
| Certified Management Accountant (CMA) | 0 | 1 |
| Financial Risk Manager (FRM) | 0 | 2 |
| Certificate in Financial Management (CFM) | 0 | 1 |
| Certification in Control Self-Assessment (CCSA) | 2 | 0 |
| Certified Information Systems Auditor (CISA) | 2 | 0 |
| BS7799/ISO 27001 Lead Auditor | 1 | 0 |

3.6 Information Regarding TSMC's Independent Auditor

3.6.1 Audit Fees

Unit: NT\$ thousands

| Accounting Firm | Name of CPA | Audit Fee | Non-audit Fee | | | | | Whether the CPA's Audit Period Covers an Entire Fiscal Year | | | Note |
|-------------------|--|-----------|---------------|----------------------|----------------|--------|----------|---|----|--------------|------|
| | | | System Design | Company Registration | Human Resource | Others | Subtotal | Yes | No | Audit Period | |
| Deloitte & Touche | Hung-Peng Lin, Shu-Chieh Huang, and others | 74,166 | - | 285 | - | 600 | 885 | √ | | | |

Note: Article 10-4 of Regulation Governing Information to be published in Annual Report of Public Companies was not applicable to TSMC.

3.6.2 TSMC did not replace its independent auditor during 2008, 2009, and as of February 28, 2010.

3.6.3 TSMC's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions within TSMC's independent audit firm or its affiliates during 2009.

3.7 Material Information Management Procedure

TSMC has established relevant procedures for material information management and disclosure. All relevant departments and employees are required to comply with the procedures and other applicable regulations when they become aware of any potential material information and the disclosure thereof.