

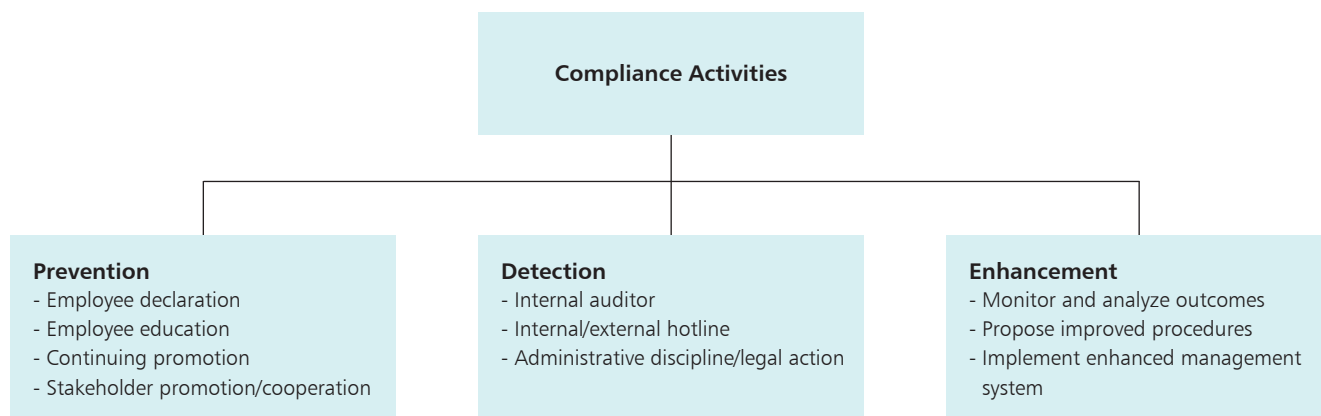
In so doing, each of us:

- must not advance our personal interests at the expense of, or in conflict with the Company;
- must refrain from corruption, unfair competition, fraud, waste and abuse;
- must not undertake any practices detrimental to TSMC, the environment and to society;
- must procure all of our raw materials from socially responsible sources;
- must abide by both the spirit and letter of all applicable laws, rules and regulations; and
- must avoid any efforts improperly to influence the decisions of anyone, including government officials, agencies, and courts, as well as our customers, suppliers, and vendors.

In order to continue to build an environment of innovation, technology leadership, and sustainable profitable growth, the Code requires that we must promote business relationships founded upon an unwavering respect for the intellectual property rights, proprietary information and trade secrets of TSMC, our customers, and others; and the proper use of the Company's assets, not for personal use, but for achieving TSMC's vision for many years to come.

All employees, officers and Board members must whole-heartedly embrace and practice the Code. TSMC's management must set the best example of integrity and ethical conduct. TSMC's officers, especially our CEO, CFO, and General Counsel, with oversight from our Board, are responsible for the full, fair, accurate, timely, and understandable financial accounting and financial disclosure in reports and documents filed by the Company with securities authorities and in all TSMC public communications and disclosures.

Code Administration and Disciplinary Action



All employees, officers and managers must comply with the Code and other policies and procedures. TSMC expects our customers, suppliers, vendors, advisors and others with which we come into contact to understand and respect the Company's ethics standards and culture.

As part of our ethics compliance program, all employees must disclose any matters that have or may have the appearance of undermining the Code, such as any actual or potential conflict of interest. Key employees and senior officers must periodically declare their compliance status with the Code. To encourage an open culture of ethics compliance, we also have implemented several related policies that allow employees or any whistleblowers with relevant evidence to report any financial, legal, or ethical irregularities through the "Complaint Policy and Procedures for Certain Accounting and Legal Matters" or "Procedures for Ombudsman System". When an employee finds or suspects a breach of this Code, he/she should report it immediately to any of the following persons: their supervisor; the Function Head of Human Resources; the Company's Ombudsman; or to the Chairman of the Company's Audit Committee, depending on the nature of the suspected breach.

In order to promote a culture of awareness, we have made all of our various policies available through easy access on our intranet and require all employees to be trained on our core values and compliance regime. Our compliance program for all employees includes regular live seminars and online training on various topics on ethics, including the requirements to prevent bribery and to protect our intellectual property. Our intranet website posts various guidelines and informative articles on ethics and honorable business conduct. We also require our stakeholders such as our suppliers, vendors and other partners to accept and abide by the same high ethical standard to which we hold all of our officers and employees. For example, we require all of our suppliers, vendors and partners to declare in writing that they will not engage in any fraud or any unethical