



# TSMC Vision, Mission & Core Values

## TSMC's Vision

Our vision is to be the most advanced and largest technology and foundry services provider to fabless companies and IDMs, and in partnership with them, to forge a powerful competitive force in the semiconductor industry.

To realize our vision, we must have a trinity of strengths:

- (1) be a technology leader, competitive with the leading IDMs
- (2) be the manufacturing leader
- (3) be the most reputable, service-oriented and maximum-total-benefits silicon foundry

## TSMC's Mission

Our mission is to be the trusted technology and capacity provider of the global logic IC industry for years to come.

## TSMC's Core Values

### Integrity

Integrity is our most basic and most important core value. We tell the truth. We believe the record of our accomplishments is the best proof of our merit. Hence, we do not brag. We do not make commitments lightly. Once we make a commitment, we devote ourselves completely to meeting that commitment. We compete to our fullest within the law, but we do not slander our competitors and we respect the intellectual property rights of others. With vendors, we maintain an objective, consistent, and impartial attitude. We do not tolerate any form of corrupt behavior or politicking. When selecting new employees, we place emphasis on the candidates' qualifications and character, not connections or access.

### Commitment

TSMC is committed to the welfare of customers, suppliers, employees, shareholders, and society. These stakeholders all contribute to TSMC's success, and TSMC is dedicated to serving their best interests. In return, TSMC hopes all these stakeholders will make a mutual commitment to the Company.

### Innovation

Innovation is the wellspring of TSMC's growth, and is a part of all aspects of our business, from strategic planning, marketing and management, to technology and manufacturing. At TSMC, innovation means more than new ideas, it means putting ideas into practice.

### Customer Trust

At TSMC, customers come first. Their success is our success, and we value their ability to compete as we value our own. We strive to build deep and enduring relationships with our customers, who trust and rely on us to be part of their success over the long term.

# Table of Contents

<b>1. Letter to Shareholders</b>	2	<b>5. Operational Highlights</b>	60
		5.1 Business Activities	60
<b>2. Company Profile</b>	6	5.2 Technology Leadership	62
2.1 An Introduction to TSMC	6	5.3 Manufacturing Excellence	67
2.2 Market/Business Summary	8	5.4 Customer Trust	69
2.3 Organization	12	5.5 Employees	71
2.4 Board Members	14	5.6 Material Contracts	75
2.5 Management Team	20		
		<b>6. Financial Highlights</b>	76
<b>3. Corporate Governance</b>	28	6.1 Financial Status and Operating Results	76
3.1 Overview	29	6.2 Risk Management	81
3.2 Board of Directors	30		
3.3 Major Resolutions of Shareholders' Meeting and Board Meetings	34	<b>7. Corporate Social Responsibility</b>	92
3.4 Taiwan Corporate Governance Implementation as Required by the Taiwan Financial Supervisory Commission	35	7.1 Overview	93
3.5 Code of Ethics and Business Conduct	36	7.2 Environmental, Safety and Health (ESH) Management	96
3.6 Regulatory Compliance	40	7.3 TSMC Education and Culture Foundation	104
3.7 Internal Control System Execution Status	42	7.4 TSMC Volunteer Program	106
3.8 Status of Personnel Responsible for the Company's Financial and Business Operation	43	7.5 Social Responsibility Implementation Status as Required by the Taiwan Financial Supervisory Commission	109
3.9 Information Regarding TSMC's Independent Auditor	43		
3.10 Material Information Management Procedure	43	<b>8. Subsidiary Information and Other Special Notes</b>	110
		8.1 Subsidiaries	110
<b>4. Capital and Shares</b>	44	8.2 Status of TSMC Common Shares and ADRs Acquired, Disposed of, and Held by Subsidiaries	115
4.1 Capital and Shares	45	8.3 Special Notes	115
4.2 Issuance of Corporate Bonds	52		
4.3 Preferred Shares	54		
4.4 Issuance of American Depositary Shares	54		
4.5 Status of Employee Stock Option Plan	56		
4.6 Status of Employee Restricted Stock	58		
4.7 Status of New Share Issuance in Connection with Mergers and Acquisitions	58		
4.8 Financing Plans and Implementation	58		