# **TSMC Vision, Mission & Core Values**

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

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

### **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.

1		
Lett	er to Shareholders	3
2		
Con	npany Profile	9
2.1	An Introduction to TSMC	9
2.2	Market/Business Summary	9
2.3	Organization	16
2.4	Board Members	18
2.5	Management Team	24
3		
Cor	porate Governance	33
3.1	Overview	33
3.2	Board of Directors	34
3.3	Major Decisions of Shareholders' Meeting and	
	Board Meetings	40
3.4	Taiwan Corporate Governance Implementation as	
	Required by Taiwan Financial Supervisory Commission	42
3.5	Code of Ethics and Business Conduct	46
3.6	Regulatory Compliance	50
3.7	Internal Control System Execution Status	52
3.8	Status of Personnel Responsible for the Company's	
	Financial and Business Operation	53
3.9	Information Regarding TSMC's Independent Auditor	53
3.10	Material Information Management Procedure	55
4		
Сар	ital and Shares	<b>57</b>
4.1	Capital and Shares	57
4.2	Issuance of Corporate Bonds	64
4.3	Preferred Shares	66
4.4	Issuance of American Depositary Shares	66
4.5	Status of Employee Stock Option Plan	68
4.6	Status of Employee Restricted Stock	68
4.7	Status of New Share Issuance in Connection with	
	Mergers and Acquisitions	68
4.8	Financing Plans and Implementation	68

Оре	erational Highlights	7
5.1	Business Activities	7
5.2	Technology Leadership	7
5.3	Manufacturing Excellence	7
5.4	Customer Trust	8
5.5	Human Capital	8
5.6	Material Contracts	8
6		
Fina	ancial Highlights and Analysis	8
6.1	Financial Highlights	8
6.2	Financial Status and Operating Results	9
6.3	Risk Management	10
7		
Cor	porate Social Responsibility	11
7.1	Overview	11
7.2	Environmental, Safety and Health (ESH) Management	12
7.3	TSMC Education and Culture Foundation	12
7.4	TSMC Charity Foundation	13
7.5	TSMC i-Charity	13
7.6	Social Responsibility Implementation Status as Requir	ed
	by the Taiwan Financial Supervisory Commission	13
8		
Sub	sidiary Information and Other Special Notes	13
8.1	Subsidiaries	13
8.2	Status of TSMC Common Shares and ADRs Acquired,	
	Disposed of, and Held by Subsidiaries	13
8.3	Special Notes	13