

**Procedures for Related Party Transactions
of
Taiwan Semiconductor Manufacturing Company Limited
(The “Company”)**

1. The Procedures set forth below are established on the basis of the following regulations and rules:
 - (1) Regulations issued by the securities regulatory authority;
 - (2) No. 24 “Related Party Disclosures” of International Accounting Standard (hereunder as “IAS”) endorsed by the Financial Supervisory Commission;
 - (3) Bulletin No. 6 on the Auditing Rules for Auditing of Related Party Transaction issued by the Auditing Standards Committee.
2. “Related Party” used herein should mean a person or entity that is related to the Company as defined in paragraph 9 to 12 of No. 24 “Related Party Disclosures” of IAS.
3. In addition to legal formalities, the substantive relationship shall also be taken into consideration in judging whether or not any party is a related party under Article 2 above.
4. The related party transaction refers to the transfer or conveyance of resources, services or obligations among the related parties and the Company irrespective of whether or not any consideration is paid.
5. The Company shall disclose the related party transaction in the footnotes to its financial statements in accordance with paragraph 13 to 24 of No. 24 “Related Party Disclosures” of IAS.
6. The administration and execution of major related party transactions shall be governed by the Company’s policies and procedures, and if necessary, such transactions must be approved by the Board of Directors in advance.
7. The Audit and Risk Committee shall check the existence of related parties and audit the related party transactions from time to time according to the following auditing procedure:

- (1) Compare the amount and terms of purchases, sales and property transactions with related parties to those with non-related parties and check whether or not the difference, if any, is reasonable;
 - (2) Determine whether or not the related party transaction is duly approved, and if there is a dollar limit, whether or not the amount is within the limit;
 - (3) Determine whether or not the contents of related party transactions and other necessary information as disclosed in the financial statements under Article 5 are consistent with those kept in the Company's books.
8. The Audit and Risk Committee may assign the Company's internal auditor(s) or retain the certified public accountant to audit the items described in Article 7 on an on-going basis.
9. These Procedures shall become effective upon approval by the Audit and Risk Committee and submitted to the Board of Directors for a resolution. Any amendment is subject to the same procedure.