

台灣半導體股份有限公司  
TAIWAN SEMICONDUCTOR CO., LTD.

2024 Annual General Meeting  
(On-site meeting)

Meeting Agenda  
(Translation)

June 19, 2024

## Table of Contents

|   |    |
|---|----|
| Meeting Agenda.....   | 1  |
| Report Items.....   | 2  |
| Approval Items.....   | 20 |
| Discussion Items A.....                                     | 41 |
| Election Matters.....                                       | 46 |
| Discussion Items B.....                                     | 50 |
| Appendix 1: Article of Incorporation.....                   | 53 |
| Appendix 2: Convention Rules for Shareholders Meetings..... | 60 |
| Appendix 3: Rules for the Election of Directors.....        | 70 |
| Appendix 4: Shareholding of Directors.....                  | 72 |

TAIWAN SEMICONDUCTOR CO., LTD.  
Agenda of the 2024 Annual General Meeting

Time: 9:00 a.m. on June 19 (Wednesday), 2024

Place: No.96, Meizhou 2nd Rd., Yilan City, Yilan County 260023, Taiwan (R.O.C.)  
(TAIWAN SEMICONDUCTOR CO., LTD. Yilan factory)

Attendants: (All Shareholders and their proxy holder)

Meeting Agenda:

1. Commencement
2. Chairman's Address
3. Report Items (Please refer to Page 2 - 19)
  - (1) 2023 Business Report and 2024 Annual Business Plan Report
  - (2) Audit Committee's 2023 Review Report
  - (3) Status report on the Endorsement and Guarantee, Loaning of Company Funds, Regulations Governing the Acquisition and Disposal of Assets, the Trading of Financial Derivatives of the Company and its subsidiaries in 2023
  - (4) Report on 2023 employees' profit sharing bonus and directors' compensation
  - (5) Report on the revision of the "Board Meeting Procedures" of the company
  - (6) Report on the Content and Amount of Performance Evaluation and Remuneration of Directors and Managers, and the Relationship between the Evaluation Results and the Reasonableness Report.
4. Approval Items (Please refer to Page 20 - 40)
  - (1) To accept 2023 Business Report and Financial Statements
  - (2) To approve the company's 2023 Earnings Distribution
5. Discussion Items A (Please refer to Page 41 - 45)
  - (1) Amendment to the "Shareholders' Meeting Rules" of Taiwan Semiconductor Co., Ltd.
6. Election Matters (Please refer to Page 46 - 49 )
  - (1) Comprehensive Re-election of Directors Proposal.
7. Discussion Items B (Please refer to Page 50 - 51)
  - (2) Proposal to Lift Restriction on Directors' Non-competition Agreements.
8. Extraordinary Motions
9. Adjournment

## Report Items

## Report Items

### 1. 2023 Business Report and 2024 Annual Business Plan Report

Explanatory Notes: Please refer to Page 4~10 of the Meeting Agenda for the Business Report

## 1. 2023 Business Report

### (1) Implementation of Business Plan

The Company's and its subsidiaries major businesses included the production and sale of rectifiers and barcode printers. In 2023, the earnings per share after tax was NT\$2.89. The 2023 consolidated operating revenue, gross profit, operating income, net income before tax, net income, comprehensive income, and after-tax earnings per share compared to 2022 is presented below:

Unit: NT\$ thousand

| Item  | Implementation of Business Plan |            |                     |
|---|---------------------------------|------------|---------------------|
|   | 2023                            | 2022       | Increase (decrease) |
| Operating revenue                                       | 14,616,014                      | 15,687,134 | (6.83%)             |
| Gross Profit  | 4,492,662                       | 5,349,166  | (16.01%)            |
| Operating Income  | 1,768,528                       | 2,790,521  | (36.62%)            |
| Net income before tax                                   | 1,837,797                       | 3,013,930  | (39.02%)            |
| Net income  | 1,309,993                       | 2,176,915  | (39.82%)            |
| Comprehensive income                                    | 1,257,184                       | 2,478,073  | (49.27%)            |
| Net income attributable to the Parent Company           | 718,640                         | 1,562,877  | (54.02%)            |
| Comprehensive income attributable to the Parent Company | 655,242                         | 1,738,755  | (62.32%)            |
| After-tax earnings per share (NT\$)                     | 2.89                            | 6.28       | (53.98%)            |

(2) Budget Implementation: The Company did not disclose its financial forecasts of the year of 2023, so it is not necessary to publicly disclose the implementation of the budget.

### (3) Financial Status and Profitability

Unit: NT\$ thousand

| Item             | Annual revenue and expenditure |        |                    |
|------------------|--------------------------------|--------|--------------------|
|                  | 2023                           | 2022   | Increase(decrease) |
| Interest Revenue | 42,817                         | 19,892 | 115.25%            |
| Interest Expense | 80,472                         | 38,330 | 109.95%            |

| Item                |   | 2023   | 2022   |
|---------------------|---|--------|--------|
| Financial Structure | Total debt to assets (%)                                      | 39.02  | 41.12  |
|                     | Long-term asset to real estate, plant and equipment ratio (%) | 286.24 | 286.97 |
| Liquidity Analysis  | Current ratio (%)   | 197.91 | 206.86 |
|                     | Quick ratio (%)   | 126.26 | 136.76 |
| Profitability       | Return on assets (%)  | 7.65   | 12.91  |
|                     | Return on equity (%)  | 12.23  | 21.82  |
|                     | Profit ratio (%)  | 8.96   | 13.88  |
|                     | After-tax earnings per share (NT\$)                           | 2.89   | 6.28   |

#### (4) Research and Development

##### (A) Rectifier

To increase our overall competitiveness and gross margin, the Company invests a great deal of manpower and budget every year in collecting market information, analyzing market demand, and setting the direction and strategy for new product development. As most of the mainstream products in the market today are becoming thin and light, our products are also actively developing toward small, energy-saving, and comprehensive in order to develop new markets. We have developed and increased market penetration in personal handheld products, automotive electronics, industrial control industry and white goods market.

In recent years, with self-developed chip technology and the advantage of automated packaging, we have continued to develop Schottky rectifier, R&D efforts in Fast Recovery Diodes (FRED), Transient Voltage Suppressor (TVS), MOSFET, ESD protection, and automotive low-dropout/low-power voltage regulator ICs, among other products.

The development of the new generation of trench Schottky rectifier, Fast Recovery Diodes (FRED), Super Junction MOSFET, and Shielded Gate Technology MOSFET that can effectively reduce conduction loss and switching loss to meet market trends and needs for environmental protection, energy-saving, and low power consumption. These new technologies will be developed in a full range to facilitate the promotion of active and passive safety applications for automotive electronics, industrial, communications, and energy industries.

The company is also actively investing resources in the development of technologies and products for emerging third-generation semiconductors. Silicon Carbide (SiC) Schottky Diodes have been launched progressively, and the development of Silicon Carbide Metal-Oxide-Semiconductor Field-Effect Transistors (SiC MOSFETs) is ongoing.

The development of ESD protection has been focused on products for static protection that meet various in-car communication standards and Ethernet requirements.

Additionally, a range of low power, high output current automotive low-dropout/low-power voltage regulator ICs are being developed to cover stable voltage supplies for automotive MCUs at 3.3V and 5V. Some of these have been independently developed and are currently undergoing more rigorous human and equipment investment for validation under automotive regulations, progressively meeting the AEC-Q100 automotive standards, with the hope of gaining recognition from automotive clients for high quality and service.

##### (B) Barcode printer

With the increase in applications for automatic identification in the global market, the Company spent NT\$240,833 thousand on research and development in 2023, accounting for 3% of the revenue and will continue invest in development of remote printer management value-added software tools (TSC Console or SOTI Connect) accessible via the Internet or intranet, to help clients manage devices and expand service scopes. In addition to developing new generation products and applications in new fields, the Company will focus on linerless environmental label applications, capable of reducing raw material consumption by 15% and carbon emissions and waste by 50%. The company will also spend the funds on the capital expenditures on labeling paper equipment to strengthen competitiveness and ensure sustainable potential for revenue and profit growth.

## 2. 2024 Business Plan

### (1) Business Policy

#### (A) Rectifier

- (1) Continue to create global marketing channels to increase global market share
- (2) Strengthen the professional marketing team both domestically and internationally. Providing technical and comprehensive services to customers and improve our brand image
- (3) Continue to expand our R&D team to create and maintain leading technology and rapidly develop next-generation products
- (4) Continue to develop and implement the most advanced production equipment to increase profitability by increasing productivity and reducing costs
- (5) Actively develop new packaging technologies and higher current density surface mount power device packages to meet market demand
- (6) Seek cooperation with world known companies
- (7) Continue to develop small signal products for automotive applications and offer a comprehensive product line for automotive electronics
- (8) Actively promote automotive analog ICs, SOI MOSFET, LED driver ICs, and high power density products.
- (9) Continue the development and production of upstream wafer products to integrate upstream and downstream supply, and ensure stable supply of key raw materials and absolute cost advantage
- (10) Develop new products with big international companies to create high profitability with oligopoly supply chain

#### (B) Barcode printer

In response to the global corporate emphasis on ESG sustainability and the comprehensive demands on the entire supply chain, our company is actively launching new products made from recyclable materials to expand our business domain. Additionally, we will continue to develop complete software and hardware solutions required by our customers, expand the marketing channels for our full range of products from low to high-end, deepen the operation of our own brands globally, increase customer utilization of automatic identification systems, and provide a more comprehensive network of application services to create diverse value for our customers.

### (2) Important Production and Marketing Policies

#### (A) Rectifier

The Company's industry is a semi-conductor industry. The Company's current production and sales policy is a combination of build to stock and make-to-order production. In this regard, the annual production and sales policy is formulated based on overall industrial market development, market supply and demand, the Company's established capacity and inventory level. Depending on the actual order status, it can be adjusted at any time to maintain the optimal inventory level.

#### (B) Bar Code printer

Future production and marketing policies will focus on the following:

1. Ensure stability and quality of supplies from important suppliers and maintain appropriate inventory levels and turnover rates.
2. Continuously expand the global operational scale and strengthen the core competitive strength of the company's operational fundamentals.
3. Provide all-around high-quality service to build sustainable business capabilities.



(3) Operation Goals  
 (A) Rectifier

The Company's main products are rectifier diodes and analog ICs. Taking into account the competition and market conditions, the sales projection for 2024 is as follows:

| Products              | 2024 sales projection | 2023 actual sales |
|-----------------------|-----------------------|-------------------|
| Rectifier Diode       | 3,824,679(kpcs)       | 3,409,046(kpcs)   |
| Small signal products | 1,304,953(kpcs)       | 1,191,026(kpcs)   |
| MOSFET                | 303,303 (kpcs)        | 215,281(kpcs)     |
| Analog IC             | 77,077(kpcs)          | 76,320(kpcs)      |

Technical Marketing comprehensive promotion with a total solution for different industries. Because of the increasing popularity of hybrid electric vehicles and electric vehicles in the automotive electronics market, the market demand for power devices has increased dramatically. The high power AC-DC converter, low loss MOSFET (FET), low loss voltage regulator, surge absorber (TVS), electrostatic protection, fast recovery diode, and transistor continue selling to European, American, and Japanese companies, in the meantime, the Company developed the rapidly growing Chinese and Indian automotive electronics companies. Due to the regulation amendment in vehicle lighting, it is necessary to install daytime lighting. Also, due to energy-saving and new lighting product trends, LED lighting is rapidly emerging in automotive applications, and the capacity is growing to multiply many times. The company also provides overall solutions actively in the vehicle lighting market, and introduces them to European, American, and Japanese automotive electronics manufacturers.

In addition to the existing products of high power Bridge Rectifier and high power rectifier for automobile and locomotive charging systems, the new product high power MOS is adopted as an automotive electronics certificated manufacturer, which shortens the certification time.

In the LED lighting industry, the new products LED module and LED driver, which contains simplified constant current rectifying function design, with a full range of solutions including surface mount Bridge rectifier, Schottky, MOSFET, Small-signal products, promote the high demanded Ball steep light and striplight to the American and European lighting companies. In addition to small lighting products, the new products also develop the AC-DC LED applications and are imported into American and Japanese manufacturers.

The industrial application market is dominated by foreign competitors, especially the renewable energy industry (solar systems and power converters) has the characteristics of low substitution and high gross margin, which is difficult for the local and Chinese manufacturers to introduce. The Company has a long-term experience of high quality control and performance in the automobile electronics industry and the fast globalized local design service. In addition to the existing products, new products like fast recovery rectifier, low loss high junction temperature Trench Schottky, and low loss high power MOSFET are being promoted all-inclusively.

In recent years, the considerable business opportunities in automobile electronics, detecting instruments, industrial control, and major appliances markets attract more and more foreign manufacturers to enter. The Company will develop the different specifications of Hall effect IC and flux collector, which are used in automobiles, industry, major appliances, and the consumer market. In these markets, these ICs are used in different kinds of measurement of position and angle. Take automobile electronics electoral power steering system as an example, linearity and angle Hall effect IC collector can measure the angle, running torque, and an engine speed of the steering wheel.

To consolidate the existing product lines and promote the consumer electronics industry, like TV, PC/Tablet, STB, Home appliance, Gaming, GPS, the Company continues to increase the amount of shipment like Bridge rectifier, MOS, Schottky, Zener diode, switching diode, different types of the voltage regulator, high recovery rectifier etc.

The TVs combine with internet and video function, high frequency, and multiple connecting ports. To protect ICs, the electrostatic protection component and wave filtering component are more needed. The development of new series of electrostatic protection products includes multiple output Array and combine with EMI Filter. Under the need of Eco-Friendly, all end products are pursuing high efficiency and low loss. The new products develop low-impedance MOS, low loss voltage regulator, low loss bridge rectifier, Ultra-low capacitance electrostatic protection component, etc.

Machine to Machine, because of the need for revolutionary applications due to the rise of the Internet of Things and the 5G communication smart city, the Ultra-low loss SOI MOSFET and low power trench Schottky, high power low voltage small patch TVS are being promoted.

(B) Bar Code Printer

The Company's major income source is the sales, service, and sales of label paper of the automatic identification printers. The estimated sale in 2024 as follow.

| Unit: Thousand                    |                       |                   |
|-----------------------------------|-----------------------|-------------------|
| Products                          | 2024 sales projection | 2023 actual sales |
| Automatic Identification Printers | 750                   | 700               |

3. Future Development Strategies and Influence from External Competition, Regulations and Macro-operating Environment

(1) Future Development Strategies

(A) Rectifier: Continuing to innovate technology, accelerate research and development, increase product value, complete upstream and downstream deployment and investment opportunities in China to strengthen integration benefits.

(B) Bar Code printer: Continuously adhering to the customer-centered principle, we persist in integrating brand, product, marketing, and customer service to offer a unified service and experience, thereby strengthening the market image and enhancing competitive advantage. By understanding the various application changes of different industry customers worldwide and collaborating more closely with upstream and downstream partners, we explore new customers, new solutions, innovative service models, and develop new products with a new business mindset, creating multiple win-win growth opportunities.

(2) Influence from External Competition

(A) Rectifier

The subsidy policy of local governments gives China's semiconductor manufacturers the advantage of competing at a low price, which has a certain impact on the low-end application market. The company is still focusing on the development of higher specification products, from wider penetration of consumer electronics, automotive electronics, industrial control to medical and communication equipment. We expect to achieve a balanced development of low, medium and high application markets and to occupy more areas with higher entry barriers to maintain a larger gap with competitors and improve profitability. Currently, the Company's new technology development and existing high-end products are comparable to or even surpassing the world's first-class

manufacturers, and we expect to develop more innovative and revolutionary products to surpass our world-class competitors and make outstanding contributions to environmental protection, energy savings and carbon reduction.

(B) Bar Code printer

As the demand for automatic identification becomes more life-oriented and common, the demand for or automatic identification printing is becoming more and more active; moreover, there is an increasing need for products to meet ESG requirements. In the face of the external competitive environment, the Company continues to develop innovative technologies, strengthen core capabilities for resource integration and interdisciplinary development, expand market cooperation and links, a greater focus on developing products made from recyclable materials, and actively face external challenges with the goal of profitability and stable growth.

(3) Influence from Regulations

(A) Rectifier

For adapting EU RoHS regulation, the Company provides all series of non-halogen products, which are popular among the consumer companies from Europe, America, Japan, and Korea. EISA2007 (Energy VI Efficiency) that demands higher standby power consumption and power conversion efficiency of the electric products, has been executed since 2016. For power devices, the wastage of electric property of rectifier and MOSFET should be lower and a smaller packaging should be used. Major appliances are affected the most. To cope with the legal requirement, they must be switched to variable frequency voltage source due to the large consumption of motor and compressor. The starter motor requires a higher voltage and soft switching ability for the power components. The power components in major appliances with DC frequency conversion have to concur with EMI factors, therefore it is difficult for other low-cost appeal companies to compare the excellent research and development ability of TAIWAN SEMICONDUCTOR Co., LTD. Additionally, due to the promoted policy of renewable energy, the need for solar energy and renewable energy source is highly requested by not only developed countries like North America, Japan, and Europe but also other emerging markets. Our new products with low consumption of high junction temperature Schottky can combine with solar module and power converter when used.

With the improvement of the battery technic in electric vehicles, the charging specification has changed from AC to DC 600V direct charging. The power system of vehicles will also change from a 12V 24V system to a 48V system. For this changing power system, the design pool of the original suppliers needs to be replaced with a new specification. It is a good design point for our new products high-voltage fast recovery diode, ultra-low power consumption rectifier, and trench Schottky.

(B) Bar Code Printer

There haven't been significant influences for the Company that attributes to the important policy and law changes domestic and foreign in recent years.

(4)Influence from Macro-operating Environment

(A) Rectifier

Global Service-Customer management system and regional industrial development expand the global division of labor without borders. The Company uses customer management to respond to the rapidly changing electronics industry. Products from big companies around the world are locally original designed, then be delivered and produced in various places. Through "Account management", OEM and IPO can achieve a perfect order service.

Regional industrial development helps to balance and to strengthen the product structure. North American market focuses on automobiles, industry, telecommunication, and illumination. Japanese market focus on automobiles and industry. The European market focuses on automotive electronics, industry, renewable energy sources, and illumination. Chinese market focuses on consumer electronics, automobiles, and industry. The domestic demand market of emerging markets like India, South Asia, Russia, and South America expands due to the rapid growth of the middle class. Basic telecommunication, cable lighting construction, Home appliance, and Telecom, etc. are the industries that have been introduced into.

In the rapidly changing economy, the global configuration strategy of the Company has shown its efficiency and vision regarding OEM without frontiers and spreading the risk of the differences between strong and weak regional economics.

(B) Bar Code Printer

The Company follows all changes of regulation.

In the future, with the growing stability and the expansion of the applied field of rectifier and bar code printer markets, the Company and each subsidiary company will uphold our innovative, professional, and dedicated corporate philosophy. Also, keep strengthening the research and development and salability, improve our performance, and company profits, in order share the profits with the stockholders, clients, and employees.

Chairman: Wang, Shiu-Ting



President: Wang, Shiu-Ting



CFO: Cheng, I-Cheng



No.2:  
Audit Committee's 2023 Review Report

Explanation:  
The Audit Committee's Review Report is attached as P.12.

TAIWAN SEMICONDUCTOR Co., LTD.  
Audit Committee's Review Report

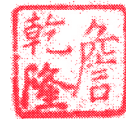
The Board of Directors has prepared the business report, individual financial report, consolidated financial report, and surplus earnings distribution proposal of 2023 of the company. Among them, the individual financial report and consolidated financial report were appointed by the board of directors to accountants Guo, Yang-Lun and Xiao, Pei-Ru of KPMG to complete the audit and issue an audit report. The business report, individual financial report, consolidated financial report, and surplus earnings distribution proposal are reviewed by the Committee and found true and correct. The Committee hereby submits the aforementioned reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted to:

2024 Annual General Meeting of TAIWAN SEMICONDUCTOR Co., LTD.

TAIWAN SEMICONDUCTOR Co., LTD.

Convener of Audit Committee: Jhan, Cian-Long



Audit Committeeman: Lin, Bo-Sheng



Audit Committeeman: Fan, Hong-Shu



Audit Committeeman: Ma, Shu-Zhuang



March 15, 2024

3. Status report on the Endorsement and Guarantee, Loaning of Company Funds, Regulations Governing the Acquisition and Disposal of Assets, the Trading of Financial Derivatives of the Company and its subsidiaries in 2023.

Explanation:

- (1) The Endorsement and Guarantee of the Company and its subsidiaries:
  1. Until December 31, 2023, there is no Endorsement and Guarantee by the Company.
  2. Until December 31, 2023, there are USD 6.5 million of the aggregate balance of endorsements guarantees by its subsidiaries.
- (2) Loaning of Company Funds of the Company and its subsidiaries
  1. Until December 31, 2023, there is no loaning of the Company.
  2. Until December 31, 2023, the balance of loaning of each subsidiary is EUR 6 million.
- (3) Acquisition and Disposal of Assets
  1. As of December 31 of year 2023, our company did not reach the reporting threshold; the amount of buying or selling the same securities did not exceed three hundred million New Taiwan Dollars.
  2. As of December 31 of year 2023, the cumulative amount for each subsidiary buying or selling the same securities reached three hundred million New Taiwan Dollars or more than 20% of the paid-in capital:

Unit: Thousand New Taiwan Dollars / Thousand shares

| Buying, Selling Company          | Type and Name of Securities | Accounting Entry                                  | Trading Counterparty  | Relationship | Beginning of Period |        | Purchases        |   | Sales            |               |           |                      | Other (Note 1)                         | End of Period |   |
|----------------------------------|-----------------------------|---|---|--------------|---------------------|--------|------------------|---|------------------|---------------|-----------|----------------------|--|---------------|---|
|                                  |                             |   |   |              | Number of Shares    | Amount | Number of Shares | Amount                                  | Number of Shares | Selling Price | Book Cost | Disposal Profit/Loss |  | Amount        | Number of Shares                        |
| TSC Auto ID Technology Co., Ltd. | TSCPL                       | Investments Accounted for Using the Equity Method | TSCPL   | Subsidiary   | -                   | -      | -                | 498,827                                 | -                | -             | -         | -                    | 6,752                                  | -             | 505,579                                 |
| TSCPL                            | MGN (Note 2)                | Investments Accounted for Using the Equity Method | SEBASTIAN LUKASZ NAWROT, ROBERT ZENON MALAK, and MGN (Note 2) | -            | -                   | -      | 2                | 71,834<br>(Thousands of Polish dollars) | -                | -             | -         | -                    | (865)<br>(Thousands of Polish dollars) | 2             | 70,969<br>(Thousands of Polish dollars) |

Note 1: Other refers to investment gains and losses and the exchange differences from the financial statements of foreign business entities.

Note 2: After acquiring 100% of the shares of MGN through TSCPL from SEBASTIAN LUKASZ NAWROT and ROBERT ZENON MALAK, TSC Auto ID Technology Co., Ltd. further increased the capital of MGN by 8,282 thousand Polish Zloty.

(4) Trading of Financial Derivatives

1. The Company's realized loss of benefits of Trading of Financial Derivatives in 2023 is NTD 4,857 thousand which was listed under non-operating expenditures. Until December 31, 2023, the trading transaction of unexpired financial derivatives is USD 2 million. The estimated unrealized loss is NTD 1,028 thousand.
2. The subsidiary's realized loss of benefits of Trading of Financial Derivatives in 2023 is NTD 13,862 thousand and be listed under non-operating expenditures. Until December 31, 2023, the trading transaction of unexpired financial derivatives is USD 4 million and EUR 3 million. The estimated unrealized loss is NTD 4,543 thousand.



#### 4. Report on 2023 employees' profit sharing bonus and directors' compensation

##### Explanation:

According to Article 20 of the Article of Incorporation, in 2023, the Company contributes 1% as the remuneration of the directors (NTD 9,299,882) and 6% as the employees' consideration (NTD 55,799,294). All will be paid by cash.

5. Report on the revision of the "Board Meeting Procedures" of the company.

Explanation:

According to the letter No. 1120383996 dated January 11 of 2024 from the Financial Supervisory Commission, this involves revising certain clauses of the "Board Meeting Procedures" of the company. A comparison table of the content before and after the revision is as follows, submitted for public review.

TAIWAN SEMICONDUCTOR Co., LTD.

Comparison table of revisions to the "Board Meeting Procedures"

| Clause     | Original Content  | Revised Content  | Reason for Revision   |
|------------|---|--|---|
| Article 8  | When the board of directors of the company convenes, relevant materials should be prepared for the attending directors to consult at any time.<br>During the convening of the board of directors, personnel from relevant departments or subsidiaries may be notified to attend based on the content of the agenda. When necessary, accountants, lawyers, or other professionals may also be invited to attend the meeting and provide explanations. However, they should leave during discussions and voting. For the same agenda item, if necessary, these attendees may enter the meeting room at any time to provide explanations.<br>When the scheduled meeting time arrives and more than half of the directors are present, the chairman of the board should promptly declare the meeting open.<br>If at the scheduled meeting time, less than half of the incumbent directors are present, the chairman may announce a postponement of the meeting. Such postponement is limited to twice. If after two postponements there is still an insufficient number of attendees, the chairman may reconvene the meeting in accordance with the procedures specified in Article 3, paragraph 2. | When the board of directors of the company convenes, relevant materials should be prepared for the attending directors to consult at any time.<br>During the convening of the board of directors, personnel from relevant departments or subsidiaries may be notified to attend based on the content of the agenda. When necessary, accountants, lawyers, or other professionals may also be invited to attend the meeting and provide explanations. However, they should leave during discussions and voting. For the same agenda item, if necessary, these attendees may enter the meeting room at any time to provide explanations.<br>When the scheduled meeting time arrives and more than half of the directors are present, the chairman of the board should promptly declare the meeting open.<br>If at the scheduled meeting time, less than half of the incumbent directors are present, the chairman may announce a postponement of the meeting for the day, limited to twice. If after two postponements there is still an insufficient number of attendees, the chairman may reconvene the meeting in accordance with the procedures specified in Article 3, paragraph 2. | Revision:<br>In accordance with Article 12 of the "Regulations Governing the Meetings of the Board of Directors of Publicly Traded Companies" (hereinafter referred to as the Regulations). |
| Article 11 | The board of directors of the company should proceed with the agenda in accordance with the agenda set forth in the meeting notice. However, it may be changed with the consent of more than half of the attending directors. Without the consent of more than half of the attending directors, the chairman shall not adjourn the meeting directly.<br>During the proceedings of the board meeting, if the number of directors present does not reach more than half of the attending directors, the chairman, upon proposal by the directors present, shall announce a temporary suspension of the meeting and apply the provisions of Article 8, paragraph 3 accordingly.  | The board of directors of the company should proceed with the agenda in accordance with the agenda set forth in the meeting notice. However, it may be changed with the consent of more than half of the attending directors. Without the consent of more than half of the attending directors, the chairman shall not adjourn the meeting directly.<br>During the proceedings of the board meeting, if the number of directors present does not reach more than half of the attending directors, the chairman, upon proposal by the directors present, shall announce a temporary suspension of the meeting and apply the provisions of Article 8, paragraph 3 accordingly.<br><u>During the proceedings of the board meeting, if the chairman is unable to preside over the meeting due to reasons or fails to adjourn the meeting directly in accordance with the provisions of the second paragraph, the appointment of a proxy shall follow the provisions of Article 7, paragraph 3.</u>   | Addition:<br>In accordance with Article 13 of the Regulations.  |
| Article 18 | The establishment of these meeting regulations shall be agreed upon by the board of directors of the company and reported to the shareholders' meeting. Any future amendments shall be authorized by resolution of the board of directors.<br>Date of Establishment: December 15, 2006<br>First Amendment Date: April 11, 2007<br>Second Amendment Date: March 25, 2008<br>Third Amendment Date: June 27, 2012<br>Fourth Amendment Date: December 25, 2012<br>Fifth Amendment Date: November 10, 2017<br>Sixth Amendment Date: March 26, 2020<br>Seventh Amendment Date: November 9, 2022   | The establishment of these meeting regulations shall be agreed upon by the board of directors of the company and reported to the shareholders' meeting. Any future amendments shall be authorized by resolution of the board of directors.<br>Date of Establishment: December 15, 2006<br>First Amendment Date: April 11, 2007<br>Second Amendment Date: March 25, 2008<br>Third Amendment Date: June 27, 2012<br>Fourth Amendment Date: December 25, 2012<br>Fifth Amendment Date: November 10, 2017<br>Sixth Amendment Date: March 26, 2020<br>Seventh Amendment Date: November 9, 2022<br>Eighth Amendment Date: March 15, 2024   | Added the date of this revision.  |

6. Report on the Content and Amount of Performance Evaluation and Remuneration of Directors and Managers, and the Relationship between the Evaluation Results and the Reasonableness Report.

Explanation: In accordance with Article 7 of the "Organizational Regulations of the Remuneration Committee" of the Company, the Remuneration Committee shall regularly assess the achievement of performance goals of directors and managers, and based on the evaluation results obtained according to the performance evaluation criteria, determine the content and amount of remuneration and submit it to the shareholders' meeting. The relevant report on the relationship and reasonableness of the evaluation results is as follows:

TAIWAN SEMICONDUCTOR Co., LTD.

Report on the Performance Evaluation Results of the Board of Directors, Functional Committees, Individual Directors, and Individual Committee Members for the Year 2023

| Performance Evaluation Mechanism and Scope:  | Assessment Period  | Self-Assessment Results of Performance  | The content and amount of remuneration for directors and executives are correlated with the results of performance evaluations and deemed reasonable. |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
|--|--|---|---|------------------|-----------------|--|----------|------|--|----------|------|--|---------|------|--|---------|------|---------------------|---------|------|-----------------------------------|------------------|-----------------|-------------------------------------|---------|------|---------------------------------|---------|------|--|---------|------|--|---------|------|--|---------|------|---------------------|---------|------|--|
| <p>To implement corporate governance, the company conducts the annual performance evaluation of the board of directors for the current year in December, based on the "Organizational Regulations of the Remuneration Committee of TAIWAN SEMICONDUCTOR Co., LTD." passed by the board of directors and the "Board Performance Evaluation Method." The evaluation scope includes the overall operation of the board of directors, functional committees, as well as the performance of <u>individual directors</u> and committee members. The evaluation results and improvement plans are reported to the board of directors. In accordance with Article 37 of the Company's Corporate Governance Guidelines, evaluations are conducted on internal board of directors, functional committees, individual directors, and individual committee members from five and six dimensions, respectively. Five dimensions include:</p> <ol style="list-style-type: none"> <li>1. Participation in company operations</li> <li>2. Enhancement of the quality of board decisions</li> <li>3. Composition and structure of the board of directors</li> <li>4. Appointment and continuous education of directors</li> <li>5. Internal control</li> </ol> <p>Six dimensions include:</p> | <p>From January 1, <u>2023</u> to December 31, <u>2023</u></p> | <p>1. Self-assessment of the board of directors' operation performance:<br/>Includes five dimensions and a total of 45 indicators, with a score of Excellent (average of 4.91 points), indicating that the board of directors not only actively participates in the company's operations but also fulfills its responsibilities in guiding and supervising the company's strategies, major business, and risk management. They have also established appropriate internal control systems in accordance with corporate governance requirements.</p> <table border="1" data-bbox="853 620 2041 962"> <thead> <tr> <th>Self-Assessment in Five Dimensions</th> <th>Assessment Items</th> <th>Scoring Results</th> </tr> </thead> <tbody> <tr> <td>1. Degree of Participation in Company Operations</td> <td>12 items</td> <td>4.88</td> </tr> <tr> <td>2. Enhancement of Board Decision Quality</td> <td>12 items</td> <td>4.89</td> </tr> <tr> <td>3. Composition and Structure of the Board of Directors</td> <td>7 items</td> <td>4.90</td> </tr> <tr> <td>4. Appointment and Continuous Education of Directors</td> <td>7 items</td> <td>4.90</td> </tr> <tr> <td>5. Internal Control</td> <td>7 items</td> <td>4.98</td> </tr> </tbody> </table> <p>2. Self-assessment of individual directors' performance:<br/>Includes six dimensions and a total of 23 indicators, with a score of Excellent (average of 4.93 points), indicating positive evaluations from both general directors and independent directors regarding the efficiency and effectiveness of the current operation of the company's board of directors.</p> <table border="1" data-bbox="853 1222 2041 1605"> <thead> <tr> <th>Self-Assessment in Six Dimensions</th> <th>Assessment Items</th> <th>Scoring Results</th> </tr> </thead> <tbody> <tr> <td>1. Mastering company goal and tasks</td> <td>3 items</td> <td>5.00</td> </tr> <tr> <td>2. Cognition of directors' duty</td> <td>3 items</td> <td>5.00</td> </tr> <tr> <td>3. Degree of cohesion toward company operation</td> <td>8 items</td> <td>4.88</td> </tr> <tr> <td>4. Internal relationship operation and communication</td> <td>3 items</td> <td>4.86</td> </tr> <tr> <td>5. Director's professionalism and continuous advanced study programs</td> <td>3 items</td> <td>4.95</td> </tr> <tr> <td>6. Internal control</td> <td>3 items</td> <td>4.91</td> </tr> </tbody> </table> | Self-Assessment in Five Dimensions  | Assessment Items | Scoring Results | 1. Degree of Participation in Company Operations | 12 items | 4.88 | 2. Enhancement of Board Decision Quality | 12 items | 4.89 | 3. Composition and Structure of the Board of Directors | 7 items | 4.90 | 4. Appointment and Continuous Education of Directors | 7 items | 4.90 | 5. Internal Control | 7 items | 4.98 | Self-Assessment in Six Dimensions | Assessment Items | Scoring Results | 1. Mastering company goal and tasks | 3 items | 5.00 | 2. Cognition of directors' duty | 3 items | 5.00 | 3. Degree of cohesion toward company operation | 8 items | 4.88 | 4. Internal relationship operation and communication | 3 items | 4.86 | 5. Director's professionalism and continuous advanced study programs | 3 items | 4.95 | 6. Internal control | 3 items | 4.91 | <p>The content and amount of remuneration for directors and executives are correlated with the results of performance evaluations and deemed reasonable.</p> <p>For director remuneration, it is governed by Article 20 of the company's articles of association. It may be allocated within 1% of the annual profit, considering the company's operational results and the individual's contribution to company performance.</p> <p>As for executive compensation policy and procedures, they adhere to the company's salary management regulations and the salary levels in the industry market for the respective positions. The determination of compensation follows the company's annual performance evaluation guidelines. This evaluation considers both the overall company performance, industry risks, and future trends, as well as individual performance and contribution to company objectives.</p> <p>The reasonableness of performance assessments and compensation is reviewed by the Compensation Committee and the Board of Directors. The compensation system is periodically reviewed to ensure alignment with actual operating conditions and relevant laws, aiming to achieve a balance between sustainable business operations and risk management.</p> |
| Self-Assessment in Five Dimensions   | Assessment Items   | Scoring Results   |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 1. Degree of Participation in Company Operations   | 12 items   | 4.88  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 2. Enhancement of Board Decision Quality   | 12 items   | 4.89  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 3. Composition and Structure of the Board of Directors   | 7 items  | 4.90  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 4. Appointment and Continuous Education of Directors   | 7 items  | 4.90  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 5. Internal Control  | 7 items  | 4.98  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| Self-Assessment in Six Dimensions  | Assessment Items   | Scoring Results   |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 1. Mastering company goal and tasks  | 3 items  | 5.00  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 2. Cognition of directors' duty  | 3 items  | 5.00  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 3. Degree of cohesion toward company operation   | 8 items  | 4.88  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 4. Internal relationship operation and communication   | 3 items  | 4.86  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 5. Director's professionalism and continuous advanced study programs   | 3 items  | 4.95  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |
| 6. Internal control  | 3 items  | 4.91  |   |                  |                 |  |          |      |  |          |      |  |         |      |  |         |      |                     |         |      |                                   |                  |                 |                                     |         |      |                                 |         |      |  |         |      |  |         |      |  |         |      |                     |         |      |  |

1. Understanding of company goals and missions
2. Recognition of director duties
3. Participation in company operations
4. Internal relationship management and communication
5. Professionalism and continuous education of directors
6. Internal control °

The assessment results are presented in five levels, with the following principles:  
 Score 1: Poor (Strongly Disagree);  
 Score 2: Fair (Disagree); Score 3: Average (Neutral); Score 4: Good (Agree); Score 5: Excellent (Strongly Agree)

3. Self-assessment of the audit committee's operation performance:  
 Includes five dimensions and a total of 24 indicators, with a score of Excellent (average of 5 points), indicating that the audit committee operates maturely, fulfills its supervisory responsibilities for compliance with relevant laws, risk management, and audit matters, fully leveraging its professional capabilities to effectively supervise the overall operation of the company. ,

| Self-Assessment in Five Dimensions                           | Assessment Items | Scoring Results |
|--|------------------|-----------------|
| 1. Degree of Participation in Company Operations             | 4 items          | 5               |
| 2. Understanding of Functional Committee Responsibilities    | 7 items          | 5               |
| 3. Enhancement of Functional Committee Decision Quality      | 7 items          | 5               |
| 4. Composition and Member Selection of Functional Committees | 3 items          | 5               |
| 5. Internal Control  | 3 items          | 5               |

4. Self-assessment of individual audit committee members' performance:  
 Includes five dimensions and a total of 24 indicators, with a score of Excellent (average of 5 points), indicating positive evaluations from the audit committee members regarding the efficiency and effectiveness of the current operation of the company's audit committee.

| Self-Assessment in Five Dimensions                           | Assessment Items | Scoring Results |
|--|------------------|-----------------|
| 1. Degree of Participation in Company Operations             | 4 items          | 5               |
| 2. Understanding of Functional Committee Responsibilities    | 7 items          | 5               |
| 3. Enhancement of Functional Committee Decision Quality      | 7 items          | 5               |
| 4. Composition and Member Selection of Functional Committees | 3 items          | 5               |
| 5. Internal Control  | 3 items          | 5               |

5. Self-assessment of the remuneration committee's operation performance:  
Includes five dimensions and a total of 24 indicators, with a score of Excellent (average of 5 points), indicating that the remuneration committee operates soundly and effectively fulfills its duties and functions.

| Self-Assessment in Five Dimensions                           | Assessment Items | Scoring Results |
|--|------------------|-----------------|
| 1. Degree of Participation in Company Operations             | 4 items          | 5               |
| 2. Understanding of Functional Committee Responsibilities    | 7 items          | 5               |
| 3. Enhancement of Functional Committee Decision Quality      | 7 items          | 5               |
| 4. Composition and Member Selection of Functional Committees | 3 items          | 5               |
| 5. Internal Control  | 3 items          | 5               |

6. Self-assessment of individual remuneration committee members' performance:  
Includes five dimensions and a total of 24 indicators, with a score of Excellent (average of 5 points), indicating positive evaluations from the remuneration committee members regarding the efficiency and effectiveness of the current operation of the company's remuneration committee.

| Self-Assessment in Five Dimensions                           | Assessment Items | Scoring Results |
|--|------------------|-----------------|
| 1. Degree of Participation in Company Operations             | 4 items          | 5               |
| 2. Understanding of Functional Committee Responsibilities    | 7 items          | 5               |
| 3. Enhancement of Functional Committee Decision Quality      | 7 items          | 5               |
| 4. Composition and Member Selection of Functional Committees | 3 items          | 5               |
| 5. Internal Control  | 3 items          | 5               |

## Approval Items

## Approval Items

### Proposal 1

Proposed by the Board

Proposal: To accept 2023 Business Report and Financial Statements

#### Explanation:

- (1) The Company's 2023 business report, standalone financial statement, and consolidated financial statements have been approved by the Board and examined by the audit committee.
- (2) The business report, standalone financial statement, and consolidated financial statements are attached in the Meeting Agenda, P. 4-10, 22-38.



安侯建業聯合會計師事務所  
KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Auditors' Report

To the Board of Directors of TAIWAN SEMICONDUCTOR CO., LTD.:

### Opinion

We have audited the financial statements of TAIWAN SEMICONDUCTOR CO., LTD. (“the Company”), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of the other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Other Matter

We did not audit the financial statements of TSC Auto ID Technology Co., Ltd. (TSC Auto ID) of which represented investment accounted for using the equity method of the Company. Those statements were audited by the other Certified Public Accountants whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TSC Auto ID, is based solely on the report of the other Certified Public Accountants. The investment in TSC Auto ID amounted for using the equity method constituting 10.67% and 8.68% of the total assets at December 31, 2023 and 2022, respectively, and the related share of profit of subsidiaries accounted for using the equity method constituting 31.95% and 17.16% of the total income before tax for the years then ended respectively.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## 1. Revenue recognition

Please refer to Note 4(m) to financial statements for accounting policy of revenue recognition; and Note 6(o) “Revenue from contracts with customers” for details on the related explanation.

### Description of the key audit matter:

The main business items of the Company are the manufacture and sale of rectifiers. Revenue recognition is one of the key assessment matters in our audit. Revenue is the key indicator to evaluate the performance by investors and management. Therefore, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our key audit procedures included: (i) testing the relevant control over the sales and collection cycle to determine the reliability of revenue records. (ii) checking and adjusting the data of sales system and general ledger entries, and evaluating whether the conditions of sale are consistent with the recognition of accounting policies. (iii) Performing trend analysis on the top ten sales customers to assess whether there are any material abnormality. (iv) using system tools to sample sales transactions before and after the year end to evaluate the accuracy of the period and amount of revenue recognition.

## 2. Impairment on investment accounted for using the equity method

Please refer to Note 4(h) “Investment in subsidiaries” and (l) “Impairment of non-financial assets” of the financial statements for the details on the accounting policy about investments accounted for using equity method; Note 5(c) “Investments impairment assessment for using equity method” for details on the significant accounts assumptions and judgments Note 6(e) “Investments accounted for using equity method” for details on the related explanation.

### Description of the key audit matter:

When TSC Auto ID Technology (TSC Auto ID) obtained the business combinations and its control, and recognized a goodwill in the consolidated financial report, the amount is regarded as material. Besides, evaluating whether goodwill is impaired depends on the estimation of the future cash flow of the cash-generating unit to determine the recoverable amount. The estimation of the future cash flow involves industrial environment and the forecast of the future operating results. Once the indicators of the forecast change, the recoverable amount will change as well and may cause an impairment loss. Due to the investments are the important investees and the amount is regarded as material. Therefore, the impairment on investment amounted for using the equity method is one of our key audit matters.

How the matter was addressed in our audit:

Our key audit procedures included: communication of the related issue with other Certified Public Accountants, which included sending audit instruction to other Certified Public Accountants and obtaining the independent auditor’s report of TSC Auto ID issued by other Certified Public Accountants.



The audit procedure executed by other Certified Public Accountants included (i) obtaining the report of the assessment of impairment loss of goodwill provided by the evaluation expert appointed by the management of TSC Auto ID. (ii) understanding and assessing the reasonableness of the recoverable amount based on the evaluation model. (iii) comprehensively assessing the reasonableness of the assessment of impairment loss of goodwill based on the assumption used in the evaluation model, including sales growth rate, profit margin, weighted average cost of capital (WACC, which includes risk-free return rate and risk premium), etc. and assessing the previous operating conditions, the conditions of industrial environment and future outlook.

Our audit procedure also compare the difference of the investment amounted and the net assets of TSC Auto ID (according to our ownership share) and observe TSC Auto ID 's stock price.

### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Yang-Lun and Hsiao, Pei-Ju.

KPMG

Taipei, Taiwan (Republic of China)  
March 15, 2024

#### **Notes to Readers**

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**TAIWAN SEMICONDUCTOR CO., LTD.**

**Balance Sheets**

**December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

| Assets                     |  | December 31, 2023    |            | December 31, 2022 |            | Liabilities and Equity  |  | December 31, 2023    |            | December 31, 2022 |            |
|----------------------------|--|----------------------|------------|-------------------|------------|---|--|----------------------|------------|-------------------|------------|
|                            |  | Amount               | %          | Amount            | %          |   |  | Amount               | %          | Amount            | %          |
| <b>Current assets:</b>     |  |                      |            |                   |            | <b>Current liabilities:</b>                                   |  |                      |            |                   |            |
| 1100                       | Cash and cash equivalents (note 6(a))  | \$ 795,597           | 8          | 1,139,543         | 10         | 2100  | Short-term borrowings (note 6(i))  | \$ 950,000           | 9          | 590,000           | 5          |
| 1110                       | Current financial assets at fair value through profit or loss - current (note 6(b))      | 21,060               | -          | -                 | -          | 2120  | Current financial liabilities at fair value through profit or loss (note 6(b)) | -                    | -          | 408               | -          |
| 1150                       | Notes receivable, net (note 6(c))  | 282                  | -          | 52                | -          | 2170  | Accounts payable   | 263,239              | 2          | 482,502           | 4          |
| 1170                       | Accounts receivable, net (note 6(c))   | 435,637              | 4          | 618,016           | 5          | 2181  | Accounts payable to related parties (note 7)                                   | 303,235              | 3          | 338,627           | 3          |
| 1180                       | Accounts receivable due from related parties, net (note 7)                               | 442,830              | 4          | 670,796           | 6          | 2220  | Other payables to related parties (note 7)                                     | 35,604               | -          | 38,555            | -          |
| 1200                       | Other receivables (note 7)   | 32,318               | -          | 38,005            | -          | 2230  | Current tax liabilities  | 98,768               | 1          | 221,499           | 2          |
| 130X                       | Inventories (note 6(d))  | 1,224,393            | 11         | 1,193,998         | 10         | 2320  | Long-term borrowings, current portion (note 6(j))                              | 298,583              | 3          | 259,349           | 2          |
| 1479                       | Other current assets   | 32,587               | -          | 109,435           | 1          | 2280  | Lease liabilities, current (note 6(k))   | 940                  | -          | -                 | -          |
|                            |  | <u>2,984,704</u>     | <u>27</u>  | <u>3,769,845</u>  | <u>32</u>  | 2399  | Other current liabilities  | 325,091              | 3          | 418,550           | 4          |
|                            |  |                      |            |                   |            |   |  | <u>2,275,460</u>     | <u>21</u>  | <u>2,349,490</u>  | <u>20</u>  |
| <b>Non-current assets:</b> |  |                      |            |                   |            | <b>Non-Current liabilities:</b>                               |  |                      |            |                   |            |
| 1510                       | Non-current financial assets at fair value through profit or loss (note 6(b))            | 22,383               | -          | -                 | -          | 2541  | Long-term borrowings (note 6(j))   | 228,808              | 2          | 527,391           | 5          |
| 1517                       | Non-current financial assets at fair value through other comprehensive income (note (b)) | -                    | -          | 4,157             | -          | 2570  | Deferred tax liabilities (note 6(m))   | 449,473              | 4          | 441,616           | 4          |
| 1551                       | Investments accounted for using equity method (note (e))                                 | 5,212,425            | 49         | 5,113,463         | 45         | 2580  | Lease liabilities non-current (note (k))                                       | 1,360                | -          | -                 | -          |
| 1600                       | Property, plant and equipment (note (f))   | 2,089,063            | 20         | 2,168,878         | 19         | 2640  | Net defined benefit liability, non-current (note 6(l))                         | 22,493               | -          | 20,046            | -          |
| 1755                       | Right-of-use assets (note (g))   | 4,024                | -          | -                 | -          |   |  | <u>702,134</u>       | <u>6</u>   | <u>989,053</u>    | <u>9</u>   |
| 1822                       | Intangible assets (note (h))   | 71,765               | 1          | 64,459            | 1          |   | <b>Total liabilities</b>   | <u>2,977,594</u>     | <u>27</u>  | <u>3,338,543</u>  | <u>29</u>  |
| 1840                       | Deferred tax assets (note (m))   | 110,445              | 1          | 70,596            | 1          | <b>Stockholder' equity attributable to parent:(note 6(n))</b> |  |                      |            |                   |            |
| 1980                       | Other non-current financial assets (note (b))  | 51,867               | -          | 67,718            | 1          | 3110  | Common stock   | 2,634,854            | 25         | 2,634,854         | 23         |
| 1990                       | Other non-current assets   | 166,313              | 2          | 141,359           | 1          | 3200  | Capital surplus  | 2,209,251            | 21         | 2,137,088         | 19         |
|                            |  | <u>7,728,285</u>     | <u>73</u>  | <u>7,630,630</u>  | <u>68</u>  | 3300  | Retained earnings  | 3,816,863            | 36         | 4,155,591         | 36         |
|                            |  |                      |            |                   |            | 3400  | Other stockholders' equity   | (419,530)            | (4)        | (359,558)         | (3)        |
|                            |  |                      |            |                   |            | 3500  | Treasury shares  | (506,043)            | (5)        | (506,043)         | (4)        |
|                            |  |                      |            |                   |            |   | <b>Total equity</b>  | <u>7,735,395</u>     | <u>73</u>  | <u>8,061,932</u>  | <u>71</u>  |
| <b>Total assets</b>        |  | <u>\$ 10,712,989</u> | <u>100</u> | <u>11,400,475</u> | <u>100</u> |   | <b>Total liabilities and equity</b>  | <u>\$ 10,712,989</u> | <u>100</u> | <u>11,400,475</u> | <u>100</u> |

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

|      |   | 2023              |            | 2022             |            |
|------|---|-------------------|------------|------------------|------------|
|      |   | Amount            | %          | Amount           | %          |
| 4110 | Total sales revenue (notes 6(o) and 7)  | \$ 4,708,842      | 102        | 5,755,056        | 101        |
| 4190 | Less: Sales discounts and allowances  | <u>98,369</u>     | <u>2</u>   | <u>55,901</u>    | <u>1</u>   |
|      | <b>Net operating revenues</b>   | <u>4,610,473</u>  | <u>100</u> | <u>5,699,155</u> | <u>100</u> |
| 5000 | Cost of goods sold (notes 6(d) and 7)   | <u>3,506,778</u>  | <u>76</u>  | <u>4,058,148</u> | <u>71</u>  |
|      | <b>Gross profit</b>   | <u>1,103,695</u>  | <u>24</u>  | <u>1,641,007</u> | <u>29</u>  |
| 5910 | Less: Unrealized profit (loss) from sales   | <u>(15,662)</u>   | <u>-</u>   | <u>53,444</u>    | <u>1</u>   |
|      |   | <u>1,119,357</u>  | <u>24</u>  | <u>1,587,563</u> | <u>28</u>  |
| 6000 | <b>Operating expenses (note 7):</b>   |                   |            |                  |            |
| 6100 | Selling expenses  | 354,097           | 7          | 438,244          | 8          |
| 6200 | Administrative expenses   | 215,950           | 5          | 297,659          | 5          |
| 6300 | Research and development expenses   | 141,341           | 3          | 81,604           | 1          |
| 6450 | Impairment gain   | <u>(7,803)</u>    | <u>-</u>   | <u>-</u>         | <u>-</u>   |
|      |   | <u>703,585</u>    | <u>15</u>  | <u>817,507</u>   | <u>14</u>  |
|      | <b>Operating income</b>   | <u>415,772</u>    | <u>9</u>   | <u>770,056</u>   | <u>14</u>  |
|      | <b>Non-operating income and expenses (notes 6(p) and 7):</b>  |                   |            |                  |            |
| 7100 | Interest income   | 11,614            | -          | 3,635            | -          |
| 7010 | Other income  | 19,311            | -          | 28,629           | 1          |
| 7020 | Other gains and losses  | 36,031            | 1          | 164,096          | 3          |
| 7050 | Finance costs   | <u>(22,675)</u>   | <u>-</u>   | <u>(11,349)</u>  | <u>-</u>   |
| 7070 | Share of profit of subsidiaries accounted for using equity method<br>(note 6(e))  | <u>404,836</u>    | <u>9</u>   | <u>874,492</u>   | <u>15</u>  |
|      |   | <u>449,117</u>    | <u>10</u>  | <u>1,059,503</u> | <u>19</u>  |
|      | <b>Profit before income tax</b>   | <u>864,889</u>    | <u>19</u>  | <u>1,829,559</u> | <u>33</u>  |
| 7950 | Less: Income tax expenses (note 6(m))   | <u>146,249</u>    | <u>3</u>   | <u>266,672</u>   | <u>5</u>   |
|      | <b>Profit</b>   | <u>718,640</u>    | <u>16</u>  | <u>1,562,887</u> | <u>28</u>  |
| 8300 | <b>Other comprehensive income:</b>  |                   |            |                  |            |
| 8310 | <b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>  |                   |            |                  |            |
| 8311 | Gains (losses) on remeasurements of defined benefit plans<br>(note 6(l))  | <u>(2,775)</u>    | <u>-</u>   | <u>2,549</u>     | <u>-</u>   |
| 8330 | Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | <u>(651)</u>      | <u>-</u>   | <u>1,752</u>     | <u>-</u>   |
|      |   | <u>(3,426)</u>    | <u>-</u>   | <u>4,301</u>     | <u>-</u>   |
| 8360 | <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>  |                   |            |                  |            |
| 8361 | Exchange differences on translation of foreign financial statements   | <u>(59,972)</u>   | <u>(1)</u> | <u>171,567</u>   | <u>3</u>   |
| 8300 | <b>Other comprehensive income (after tax)</b>   | <u>(63,398)</u>   | <u>(1)</u> | <u>175,868</u>   | <u>3</u>   |
|      | <b>Comprehensive income</b>   | <u>\$ 655,242</u> | <u>15</u>  | <u>1,738,755</u> | <u>31</u>  |
|      | <b>Basic earnings per common share (NT dollars) (note 6(r))</b>   | <u>\$ 2.89</u>    |            | <u>6.28</u>      |            |
|      | <b>Diluted earnings per common share (NT dollars) (note 6(r))</b>   | <u>\$ 2.88</u>    |            | <u>6.23</u>      |            |

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**TAIWAN SEMICONDUCTOR CO., LTD.**

**Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

|  | Retained earnings |                 |               |                 |                                  | Total retained earnings | Total other equity interest   | Treasury shares | Total equity |
|--|-------------------|-----------------|---------------|-----------------|----------------------------------|-------------------------|---|-----------------|--------------|
|  | Ordinary shares   | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings |                         | Exchange differences on translation of foreign financial statements |                 |              |
| <b>Balance at January 1, 2022</b>  | \$ 2,650,854      | 2,166,799       | 884,887       | 459,300         | 1,902,930                        | 3,247,117               | (531,125)   | (506,990)       | 7,026,655    |
| Net income   | -                 | -               | -             | -               | 1,562,887                        | 1,562,887               | -   | -               | 1,562,887    |
| Other comprehensive income   | -                 | -               | -             | -               | 4,301                            | 4,301                   | 171,567   | -               | 175,868      |
| Total comprehensive income   | -                 | -               | -             | -               | 1,567,188                        | 1,567,188               | 171,567   | -               | 1,738,755    |
| Retirement of treasury shares  | (16,000)          | (69,482)        | -             | -               | -                                | -                       | -   | 85,482          | -            |
| Subsidiaries purchase of treasury shares   | -                 | -               | -             | -               | -                                | -                       | -   | (84,535)        | (84,535)     |
| Appropriation and distribution of retained earnings:                                 |                   |                 |               |                 |                                  |                         |   |                 |              |
| Provision of legal reserve   | -                 | -               | 88,137        | -               | (88,137)                         | -                       | -   | -               | -            |
| Provision of special reserve   | -                 | -               | -             | 71,825          | (71,825)                         | -                       | -   | -               | -            |
| Cash dividends   | -                 | -               | -             | -               | (658,714)                        | (658,714)               | -   | -               | (658,714)    |
| Adjustments of capital surplus for company's cash dividends received by subsidiaries | -                 | 37,000          | -             | -               | -                                | -                       | -   | -               | 37,000       |
| Changes in equity of affiliate accounted for using equity method                     | -                 | 2,771           | -             | -               | -                                | -                       | -   | -               | 2,771        |
| <b>Balance at December 31, 2022</b>  | 2,634,854         | 2,137,088       | 973,024       | 531,125         | 2,651,442                        | 4,155,591               | (359,558)   | (506,043)       | 8,061,932    |
| Net income   | -                 | -               | -             | -               | 718,640                          | 718,640                 | -   | -               | 718,640      |
| Other comprehensive income   | -                 | -               | -             | -               | (3,426)                          | (3,426)                 | (59,972)  | -               | (63,398)     |
| Total comprehensive income   | -                 | -               | -             | -               | 715,214                          | 715,214                 | (59,972)  | -               | 655,242      |
| Appropriation and distribution of retained earnings:                                 |                   |                 |               |                 |                                  |                         |   |                 |              |
| Provision of legal reserve   | -                 | -               | 156,719       | -               | (156,719)                        | -                       | -   | -               | -            |
| Cash dividends   | -                 | -               | -             | -               | (1,053,942)                      | (1,053,942)             | -   | -               | (1,053,942)  |
| Adjustments of capital surplus for company's cash dividends received by subsidiaries | -                 | 59,200          | -             | -               | -                                | -                       | -   | -               | 59,200       |
| Changes in equity of affiliate accounted using equity method                         | -                 | 12,963          | -             | -               | -                                | -                       | -   | -               | 12,963       |
| <b>Balance at December 31, 2023</b>  | \$ 2,634,854      | 2,209,251       | 1,129,743     | 531,125         | 2,155,995                        | 3,816,863               | (419,530)   | (506,043)       | 7,735,395    |

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**TAIWAN SEMICONDUCTOR CO., LTD.**

**Statements of Cash Flows**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

|  | <u>2023</u>       | <u>2022</u>      |
|--|-------------------|------------------|
| <b>Cash flows from (used in) operating activities:</b>                           |                   |                  |
| Profit before tax  | \$ 864,889        | 1,829,559        |
| <b>Adjustments:</b>  |                   |                  |
| <b>Adjustments to reconcile profit (loss):</b>                                   |                   |                  |
| Depreciation expense   | 333,878           | 319,548          |
| Amortization expense   | 51,927            | 48,443           |
| Reversal of expected credit loss   | (7,803)           | -                |
| Gain on financial assets or liabilities at fair value through profit or loss     | (3,169)           | 1,701            |
| Interest expense   | 21,285            | 9,810            |
| Interest income  | (11,614)          | (3,635)          |
| Share of profit of subsidiaries accounted for using equity method                | (404,836)         | (874,492)        |
| Gain on disposal of property, plant and equipment                                | (99)              | (2,792)          |
| Others   | (15,662)          | 53,444           |
| <b>Total adjustments to reconcile profit (loss)</b>                              | <u>(36,093)</u>   | <u>(447,973)</u> |
| <b>Changes in operating assets and liabilities:</b>                              |                   |                  |
| (Increase) decrease in financial assets at fair value through profit or loss     | (16,918)          | 150,593          |
| (Increase) decrease in notes receivable  | (230)             | 479              |
| Decrease in accounts receivable  | 190,174           | 100,374          |
| (Increase) decrease in accounts receivable due from related parties              | 227,966           | (111,821)        |
| (Increase) decrease in other receivable  | 5,230             | (13,231)         |
| Increase in inventories  | (30,395)          | (433,884)        |
| (Increase) decrease in other current assets                                      | 76,848            | (40,096)         |
| Decrease in notes payable  | -                 | (1,607)          |
| Increase(decrease) in accounts payable   | (219,263)         | 168,248          |
| Decrease in accounts payable to related parties                                  | (35,392)          | (325,609)        |
| Increase (decrease) in other payable   | (252)             | 637              |
| Decrease in other payable to related parties                                     | (2,951)           | (16,772)         |
| Increase (decrease) in other current liabilities                                 | (93,459)          | 123,740          |
| Decrease in net defined benefit liability  | (328)             | (462)            |
| <b>Total adjustments</b>   | <u>64,937</u>     | <u>(847,384)</u> |
| Cash inflow generated from operations  | 929,826           | 982,175          |
| Interest received  | 12,071            | 3,179            |
| Dividends received   | 333,180           | 250,906          |
| Interest paid  | (22,432)          | (10,913)         |
| Income taxes paid  | (300,972)         | (140,144)        |
| <b>Net cash flows from operating activities</b>                                  | <u>951,673</u>    | <u>1,085,203</u> |
| <b>Cash flows from (used in) investing activities:</b>                           |                   |                  |
| Acquisition of financial assets at fair value through profit or loss             | (19,607)          | -                |
| Acquisition of financial assets at fair value through other comprehensive income | -                 | (4,157)          |
| Acquisition of property, plant and equipment                                     | (105,072)         | (52,494)         |
| Proceeds from disposal of property, plant and equipment                          | -                 | 3,475            |
| Acquisition of right-of-use assets   | (2,035)           | -                |
| Acquisition of intangible assets   | (59,233)          | (21,449)         |
| (Increase) decrease in other non-current assets                                  | 70,878            | (2,617)          |
| Increase in prepayments for equipment  | (226,692)         | (133,453)        |
| <b>Net cash flows used in investing activities</b>                               | <u>(341,761)</u>  | <u>(210,695)</u> |
| <b>Cash flows from (used in) financing activities:</b>                           |                   |                  |
| Increase in short-term loans   | 360,000           | 219,280          |
| Proceeds from long-term borrowings   | -                 | 139,320          |
| Repayments of long-term borrowings   | (259,349)         | (1,890)          |
| Payment of lease liabilities   | (567)             | -                |
| Cash dividends paid  | (1,053,942)       | (658,714)        |
| <b>Net cash flows used in financing activities</b>                               | <u>(953,858)</u>  | <u>(302,004)</u> |
| <b>Net increase in cash and cash equivalents</b>                                 | (343,946)         | 572,504          |
| <b>Cash and cash equivalents at the beginning of period</b>                      | 1,139,543         | 567,039          |
| <b>Cash and cash equivalents at the end of period</b>                            | <u>\$ 795,597</u> | <u>1,139,543</u> |

See accompanying notes to parent company only financial statements.

## **Representation Letter**

The entities that are required to be included in the combined financial statements of TAIWAN SEMICONDUCTOR CO., LTD. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, TAIWAN SEMICONDUCTOR CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: TAIWAN SEMICONDUCTOR CO., LTD.  
Chairman: Wang Shiu-Ting  
Date: March 15, 2024.





安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Auditors' Report

To the Board of Directors of TAIWAN SEMICONDUCTOR CO., LTD.:

### Opinion

We have audited the consolidated financial statements of TAIWAN SEMICONDUCTOR CO., LTD. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, consolidated changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of the other auditors (please refer to other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Other Matter

We did not audit the financial statements of TSC Auto ID Technology Co., Ltd. (TSC Auto ID) of the Group. Those statements were audited by the other Certified Public Accountants whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TSC Auto ID, is based solely on the report of the other Certified Public Accountants. The financial statements of TSC Auto ID reflect the total assets constituting 41.55% and 39.48% of the consolidated total assets at December 31, 2023 and 2022, respectively, and the total operating revenues constituting 57.14% and 50.79% of the consolidated total operating revenues for the years then ended respectively.

The company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion with other matters paragraph.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 1. Revenue recognition

Please refer to Note 4(n) “Revenue recognition” to the consolidated financial statements for accounting policy of revenue recognition; and Note 6(r) “Revenue from contracts with customers” for details on the related explanation .

#### Description of the key audit matter

The main business items of the Group are the manufacture and sale of rectifiers, and the manufacture and service of automatic identification system products. Revenue recognition is one of the key assessment matters in our audit. Revenue is the key indicator to evaluate the performance by investors and management. Therefore, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our key audit procedures included: (i) testing the relevant control over the sales and collection cycle to determine the reliability of revenue records. (ii) checking and adjusting the data of sales system and general ledger entries, and evaluating whether the conditions of sale are consistent with the recognition of accounting policies. (iii) conducting trend analysis on the top ten sales customers to assess whether there are any major anomalies. (iv) using system tools to sample sales transactions before and after the year end to evaluate the correctness of the period and amount of revenue recognition.

### 2. The assessment of impairment loss of goodwill

Please refer to Note 4(l) “Impairment of nonfinancial assets” of the consolidated financial statements for details on the accounting policy related to impairment loss of goodwill; Note 5(c) “The assessment of impairment loss of goodwill” of the accounting estimates and estimation uncertainty of the assessment of impairment loss of goodwill; and Note 6(i) “Goodwill” for details on the related explanation.

#### Description of key audit matter

When the Groups Bar Code Printers department obtained the business combinations and its control, and recognized a goodwill in the consolidated financial report, the amount is regarded as material. Besides, evaluating whether goodwill is impaired depends on the estimation of the future cash flow of the cashgenerating unit to determine the recoverable amount. The estimation of the future cash flow involves industrial environment and the forecast of the future operating results. Once the indicators of the forecast change, the recoverable amount will change as well and may cause an impairment loss.

How the matter was addressed in our audit:

Our key audit procedures included: communication of the related issue with other Certified Public Accountants, which included sending audit instruction to other Certified Public Accountants and obtaining the independent auditor’s report of TSC Auto ID issued by other Certified Public Accountants.

The audit procedure executed by other Certified Public Accountants included (i) obtaining the report of the assessment of impairment loss of goodwill provided by the evaluation expert appointed by the management of TSC Auto ID. (ii) understanding and assessing the reasonableness of the recoverable amount based on the evaluation model. (iii) comprehensively assessing the reasonableness of the assessment of impairment loss of goodwill based on the assumption used in the evaluation model, including sales growth rate, profit margin, weighted average cost of capital (WACC, which includes risk-free return rate and risk premium), etc. and assessing the previous operating conditions, the conditions of industrial environment and future outlook.



## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance including the Audit committee are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Yang-Lun and Hsiao, Pei-Ju.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2024

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

|      |  | 2023                |            | 2022              |           |
|------|--|---------------------|------------|-------------------|-----------|
|      |  | Amount              | %          | Amount            | %         |
| 4110 | Total sales revenue (note 6(r))  | \$15,214,856        | 104        | 16,442,867        | 105       |
| 4190 | Less: Sales discounts and allowances   | <u>598,842</u>      | <u>4</u>   | <u>755,733</u>    | <u>5</u>  |
|      | <b>Net operating revenues</b>  | 14,616,014          | 100        | 15,687,134        | 100       |
| 5000 | Cost of goods sold (note 6(d))   | <u>10,123,352</u>   | <u>69</u>  | <u>10,337,968</u> | <u>66</u> |
|      | <b>Gross profit</b>  | <u>4,492,662</u>    | <u>31</u>  | <u>5,349,166</u>  | <u>34</u> |
| 6000 | <b>Operating expenses</b> (notes 6(n) and (t)):  |                     |            |                   |           |
| 6100 | Selling expenses   | 1,382,342           | 9          | 1,296,411         | 8         |
| 6200 | Administrative expenses  | 890,966             | 6          | 906,575           | 6         |
| 6300 | Research and development expenses  | 443,113             | 3          | 355,388           | 2         |
| 6450 | Impairment loss  | <u>7,713</u>        | <u>-</u>   | <u>271</u>        | <u>-</u>  |
|      |  | <u>2,724,134</u>    | <u>18</u>  | <u>2,558,645</u>  | <u>16</u> |
|      | <b>Operating income</b>  | <u>1,768,528</u>    | <u>13</u>  | <u>2,790,521</u>  | <u>18</u> |
|      | <b>Non-operating income and expenses</b> (note 6(s)):  |                     |            |                   |           |
| 7100 | Interest income  | 42,817              | -          | 19,892            | -         |
| 7010 | Other income   | 52,142              | -          | 46,025            | -         |
| 7020 | Other gains and losses   | 56,619              | -          | 197,944           | 1         |
| 7050 | Finance costs  | <u>(82,309)</u>     | <u>(1)</u> | <u>(40,452)</u>   | <u>-</u>  |
|      |  | <u>69,269</u>       | <u>(1)</u> | <u>223,409</u>    | <u>1</u>  |
|      | <b>Profit before income tax</b>  | 1,837,797           | 12         | 3,013,930         | 19        |
| 7950 | <b>Less: Income tax expenses</b> (note 6(o))   | <u>527,804</u>      | <u>4</u>   | <u>837,015</u>    | <u>5</u>  |
|      | <b>Profit</b>  | <u>1,309,993</u>    | <u>8</u>   | <u>2,176,915</u>  | <u>14</u> |
| 8300 | <b>Other comprehensive income:</b>   |                     |            |                   |           |
| 8310 | <b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>                 |                     |            |                   |           |
| 8311 | Gains (losses) on remeasurements of defined benefit plans (note 6(n))  | (4,578)             | -          | 7,368             | -         |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss         | <u>-</u>            | <u>-</u>   | <u>-</u>          | <u>-</u>  |
|      |  | <u>(4,578)</u>      | <u>-</u>   | <u>7,368</u>      | <u>-</u>  |
| 8360 | <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>                     |                     |            |                   |           |
| 8361 | Exchange differences on translation of foreign financial statements  | (43,641)            | -          | 341,796           | 2         |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(o)) | <u>(4,590)</u>      | <u>-</u>   | <u>(48,006)</u>   | <u>-</u>  |
|      |  | <u>(48,231)</u>     | <u>-</u>   | <u>293,790</u>    | <u>2</u>  |
| 8300 | <b>Other comprehensive income (after tax)</b>  | <u>(52,809)</u>     | <u>-</u>   | <u>301,158</u>    | <u>2</u>  |
|      | <b>Comprehensive income</b>  | <u>\$ 1,257,184</u> | <u>8</u>   | <u>2,478,073</u>  | <u>16</u> |
|      | <b>Net income attributable to:</b>   |                     |            |                   |           |
|      | Owners of the parent   | \$ 718,640          | 4          | 1,562,887         | 10        |
|      | Non-controlling interests (note 6(e))  | <u>591,353</u>      | <u>4</u>   | <u>614,028</u>    | <u>4</u>  |
|      |  | <u>\$ 1,309,993</u> | <u>8</u>   | <u>2,176,915</u>  | <u>14</u> |
|      | <b>Comprehensive income attributable to:</b>   |                     |            |                   |           |
|      | Owners of the parent   | \$ 655,242          | 4          | 1,738,755         | 11        |
|      | Non-controlling interests (note 6(e))  | <u>601,942</u>      | <u>4</u>   | <u>739,318</u>    | <u>5</u>  |
|      |  | <u>\$ 1,257,184</u> | <u>8</u>   | <u>2,478,073</u>  | <u>16</u> |
|      | <b>Basic earnings per common share (NT dollars)</b> (note 6(u))  | <u>\$ 2.89</u>      |            | <u>6.28</u>       |           |
|      | <b>Diluted earnings per common share (NT dollars)</b> (note 6(u))  | <u>\$ 2.88</u>      |            | <u>6.23</u>       |           |

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

|  | Equity attributable to owners of parent |                 |               |                 |                                  |                         | Exchange differences on translation of foreign financial statements | Treasury shares | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
|--|---|-----------------|---------------|-----------------|----------------------------------|-------------------------|---|-----------------|---|---------------------------|--------------|
|  | Ordinary shares                         | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Total retained earnings |   |                 |   |                           |              |
| <b>Balance at January 1, 2022</b>  | \$ 2,650,854                            | 2,166,799       | 884,887       | 459,300         | 1,902,930                        | 3,247,117               | (531,125)   | (506,990)       | 7,026,655                                     | 2,200,854                 | 9,227,509    |
| Net income   | -                                       | -               | -             | -               | 1,562,887                        | 1,562,887               | -   | -               | 1,562,887                                     | 614,028                   | 2,176,915    |
| Other comprehensive income   | -                                       | -               | -             | -               | 4,301                            | 4,301                   | 171,567   | -               | 175,868                                       | 125,290                   | 301,158      |
| Total comprehensive income   | -                                       | -               | -             | -               | 1,567,188                        | 1,567,188               | 171,567   | -               | 1,738,755                                     | 739,318                   | 2,478,073    |
| Retirement of treasury shares  | (16,000)                                | (69,482)        | -             | -               | -                                | -                       | -   | 85,482          | -   | -                         | -            |
| Subsidiaries purchase of treasury shares   | -                                       | -               | -             | -               | -                                | -                       | -   | (84,535)        | (84,535)                                      | -                         | (84,535)     |
| Appropriation and distribution of retained earnings:                                 |   |                 |               |                 |                                  |                         |   |                 |   |                           |              |
| Provision of legal reserve   | -                                       | -               | 88,137        | -               | (88,137)                         | -                       | -   | -               | -   | -                         | -            |
| Provision of special reserve   | -                                       | -               | -             | 71,825          | (71,825)                         | -                       | -   | -               | -   | -                         | -            |
| Cash dividends   | -                                       | -               | -             | -               | (658,714)                        | (658,714)               | -   | -               | (658,714)                                     | -                         | (658,714)    |
| Adjustments of capital surplus for company's cash dividends received by subsidiaries | -                                       | 37,000          | -             | -               | -                                | -                       | -   | -               | 37,000  | -                         | 37,000       |
| Changes in equity of affiliate accounted for using equity method                     | -                                       | 2,771           | -             | -               | -                                | -                       | -   | -               | 2,771   | -                         | 2,771        |
| Changes in non-controlling interests   | -                                       | -               | -             | -               | -                                | -                       | -   | -               | -   | (276,621)                 | (276,621)    |
| <b>Balance at December 31, 2022</b>  | 2,634,854                               | 2,137,088       | 973,024       | 531,125         | 2,651,442                        | 4,155,591               | (359,558)   | (506,043)       | 8,061,932                                     | 2,663,551                 | 10,725,483   |
| Net income   | -                                       | -               | -             | -               | 718,640                          | 718,640                 | -   | -               | 718,640                                       | 591,353                   | 1,309,993    |
| Other comprehensive income   | -                                       | -               | -             | -               | (3,426)                          | (3,426)                 | (59,972)  | -               | (63,398)                                      | 10,589                    | (52,809)     |
| Total comprehensive income   | -                                       | -               | -             | -               | 715,214                          | 715,214                 | (59,972)  | -               | 655,242                                       | 601,942                   | 1,257,184    |
| Appropriation and distribution of retained earnings:                                 |   |                 |               |                 |                                  |                         |   |                 |   |                           |              |
| Provision of legal reserve   | -                                       | -               | 156,719       | -               | (156,719)                        | -                       | -   | -               | -   | -                         | -            |
| Cash dividends   | -                                       | -               | -             | -               | (1,053,942)                      | (1,053,942)             | -   | -               | (1,053,942)                                   | -                         | (1,053,942)  |
| Adjustments of capital surplus for company's cash dividends received by subsidiaries | -                                       | 59,200          | -             | -               | -                                | -                       | -   | -               | 59,200  | -                         | 59,200       |
| Changes in equity of affiliate accounted for using equity method                     | -                                       | 12,963          | -             | -               | -                                | -                       | -   | -               | 12,963  | -                         | 12,963       |
| Changes in non-controlling interests   | -                                       | -               | -             | -               | -                                | -                       | -   | -               | -   | (301,420)                 | (301,420)    |
| <b>Balance at December 31, 2023</b>  | \$ 2,634,854                            | 2,209,251       | 1,129,743     | 531,125         | 2,155,995                        | 3,816,863               | (419,530)   | (506,043)       | 7,735,395                                     | 2,964,073                 | 10,699,468   |

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

|  | <u>2023</u>         | <u>2022</u>      |
|--|---------------------|------------------|
| <b>Cash flows from (used in) operating activities:</b>                           |                     |                  |
| Profit before tax  | \$ 1,837,797        | 3,013,930        |
| <b>Adjustments:</b>  |                     |                  |
| <b>Adjustments to reconcile profit (loss):</b>                                   |                     |                  |
| Depreciation expense   | 848,095             | 790,180          |
| Amortization expense   | 139,801             | 140,791          |
| Expected credit loss   | 7,713               | 271              |
| Net loss on financial assets or liabilities at fair value through profit or loss | 5,965               | 51,151           |
| Interest expense   | 80,472              | 38,330           |
| Interest income  | (42,817)            | (19,892)         |
| Gain (loss) on disposal of property, plant and equipment                         | (274)               | 4,840            |
| Reversal of impairment gain on non-financial assets                              | (88)                | (595)            |
| Others   | 12,963              | 2,771            |
| <b>Total adjustments to reconcile profit (loss)</b>                              | <u>1,051,830</u>    | <u>1,007,847</u> |
| <b>Changes in operating assets and liabilities:</b>                              |                     |                  |
| (Increase) decrease in financial assets at fair value through profit or loss     | (30,781)            | 103,947          |
| Decrease in notes receivable   | 281                 | 163              |
| (Increase) decrease in accounts receivable                                       | 512,393             | (65,336)         |
| (Increase) decrease in other receivables   | 35,649              | (42,049)         |
| (Increase) decrease in inventories   | 207,442             | (1,055,208)      |
| (Increase) decrease in prepayments   | 50,063              | (92,899)         |
| (Increase) decrease in other financial assets                                    | 512,948             | (225,904)        |
| Decrease in notes payable  | -                   | (1,607)          |
| Decrease in accounts payable   | (386,093)           | (24,992)         |
| Increase (decrease) in other payable   | (86,941)            | 181,589          |
| Increase (decrease) in other current liabilities                                 | (77,841)            | 92,684           |
| Increase (decrease) in net defined benefit liabilities                           | 4,335               | (7,788)          |
| Increase (decrease) in other non-current liabilities                             | (29,954)            | 17,577           |
| <b>Total adjustments</b>   | <u>1,763,331</u>    | <u>(111,976)</u> |
| Cash inflow generated from operations  | 3,601,128           | 2,901,954        |
| Interest received  | 43,274              | 19,436           |
| Interest paid  | (74,503)            | (28,454)         |
| Income taxes paid  | (737,488)           | (695,851)        |
| <b>Net cash flows from operating activities</b>                                  | <u>2,832,411</u>    | <u>2,197,085</u> |
| <b>Cash flows from (used in) investing activities:</b>                           |                     |                  |
| Acquisition of financial assets at fair value through profit or loss             | (19,607)            | -                |
| Acquisition of financial assets at fair value through other comprehensive income | -                   | (4,157)          |
| Acquisition of subsidiaries (net of cash acquired)                               | (358,490)           | -                |
| Acquisition of property, plant and equipment                                     | (262,647)           | (526,957)        |
| Proceeds from disposal of property, plant and equipment                          | 1,599               | 5,531            |
| Increase in other financial assets   | (436,127)           | (11,437)         |
| Acquisition of right-of-use assets   | (2,035)             | -                |
| Acquisition of intangible assets   | (42,622)            | (35,317)         |
| (Increase) decrease in other non-current assets                                  | 11,877              | (27,074)         |
| Increase in prepayments for equipment  | (304,688)           | (92,105)         |
| <b>Net cash flows used in investing activities</b>                               | <u>(1,412,740)</u>  | <u>(691,516)</u> |
| <b>Cash flows from (used in) financing activities:</b>                           |                     |                  |
| Increase in short-term borrowings  | 146,091             | 545,089          |
| Proceeds from long-term borrowings   | 300,000             | 419,320          |
| Repayments of long-term borrowings   | (586,822)           | (561,890)        |
| Payment of lease liabilities   | (130,872)           | (127,258)        |
| Decrease in guarantee deposits received  | (246)               | (130)            |
| Cash dividends paid  | (994,742)           | (621,714)        |
| Repurchase of treasury shares  | -                   | (84,535)         |
| Change in non-controlling interests  | (301,420)           | (276,621)        |
| <b>Net cash flows used in financing activities</b>                               | <u>(1,568,011)</u>  | <u>(707,739)</u> |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>              | (63,894)            | 96,203           |
| <b>Net increase (decrease) in cash and cash equivalents</b>                      | (212,234)           | 894,033          |
| <b>Cash and cash equivalents at the beginning of period</b>                      | <u>3,595,681</u>    | <u>2,701,648</u> |
| <b>Cash and cash equivalents at the end of period</b>                            | <u>\$ 3,383,447</u> | <u>3,595,681</u> |

See accompanying notes to financial statements.



Proposal: To approve the Company's 2023 Earnings Distribution.

Explanation:

- (1) In order to improve the capital structure and avoid dilution of earnings, the Company proposes full cash dividend distribution.
- (2) In the fiscal year 2023, the company's net profit after tax was NT\$ 718,640,048 after deducting the remeasurement amount of the defined benefit plan of NT\$ 3,425,395 and allocating NT\$ 71,521,465 to legal reserve. Additionally, considering the retained earnings from the previous period of NT\$ 1,440,780,886 the distributable earnings for the current period are NT\$ 2,084,474,074. The proposed shareholder dividend is NT\$ 526,970,972 to be distributed entirely in cash. This proposal awaits approval at the ordinary shareholder meeting, after which the dates for the cash dividend record and payment will be set. According to the record of shareholders on the cash dividend record date, each share will receive a dividend of NT\$ 2.0, rounded down to the nearest cent, with any remaining fractions accumulated into the company's other income.  
In case there are fluctuations in the company's outstanding shares resulting in changes to the shareholder's dividend rate, the Board of Directors will seek authorization from the shareholders to handle it accordingly.
- (3) Please refer to Earnings Distribution Table on page 40 of this Meeting Agenda.

Resolution:

TAIWAN SEMICONDUCTOR CO., LTD.

Fiscal Year 2023

Earnings Distribution Table

Unit: NTD

| Items  | Subtotal           | Total                       |
|--|--------------------|-----------------------------|
| Beginning retained earnings (Beginning Balance)          | 1,440,780,886      |                             |
| Add: 2023 Net profit after tax                           | 718,640,048        |                             |
| 減：Remeasurements of defined benefit plan                 | 3,425,395          |                             |
| Less: 10% legal reserve                                  | 71,521,465         |                             |
| <b>Distributable earnings</b>                            |                    | <b><u>2,084,474,074</u></b> |
| Less：Distributable items                                 |                    |                             |
| (1) Dividend to shareholders (NTD 2.0 per share)         |                    |                             |
| (NTD 2.0 per share of cash dividend) ----(Note)          | <u>526,970,972</u> | <u>526,970,972</u>          |
| <b>Unappropriated retained earnings (Ending Balance)</b> |                    | <b><u>1,557,503,102</u></b> |
|  |                    |                             |

Note:

- 1) If there is an increase or decrease in the total number of outstanding shares of the Company, which results in a change in the shareholders' payout ratio, it is proposed to request the shareholders' meeting to authorize the Board of Directors to deal with the matter in its sole discretion.
- 2) Total Stock dividend of the director for the current period NTD 526,970,972
- 3) 2023 net profit after tax after distribution NTD 116,722,216 Hasn't been distributed.

# Discussion Items A

Discussion Items A

1.

**Proposed by the Board**

**Proposal:**

Amendment to the "Shareholders' Meeting Rules" of Taiwan Semiconductor Co., Ltd.

**Explanation:**

- (1) This proposal is made in accordance with the Financial Supervisory Commission's letter No. 1120334642 dated March 14, 2023 and the Securities and Futures Institute's letter No. 11200552441 dated March 23, 2023.
- (2) It is proposed to amend the "Shareholders' Meeting Rules" of the company. The comparison table of the amendments before and after, along with their explanations, are provided below, and it is requested to be approved at the 2024 Annual Shareholders' Meeting.
- (3) Please proceed to discuss.

TAIWAN SEMICONDUCTOR Co., LTD.

Comparison Table of Amendments to the "Shareholders' Meeting Rules"

| Clause | Content Before Amendment  | Revised Content   | Reason for Amendment   |
|--------|---|---|--|
|        | Date of Establishment: June 22, 1996<br>First Amendment Date and Approval by the Shareholders' Meeting: June 19, 1998<br>Second Amendment Date and Approval by the Shareholders' Meeting: June 24, 2002<br>Third Amendment Date and Approval by the Shareholders' Meeting: June 15, 2004<br>Fourth Amendment Date and Approval by the Shareholders' Meeting: June 13, 2008<br>Fifth Amendment Date and Approval by the Shareholders' Meeting: June 13, 2016<br>Sixth Amendment Date and Approval by the Shareholders' Meeting: June 16, 2020<br>Seventh Amendment Date and Approval by the Shareholders' Meeting: July 26, 2021<br>Eighth Amendment Date and Approval by the Shareholders' Meeting: June 11, 2022 | Date of Establishment: June 22, 1996<br>First Amendment Date and Approval by the Shareholders' Meeting: June 19, 1998<br>Second Amendment Date and Approval by the Shareholders' Meeting: June 24, 2002<br>Third Amendment Date and Approval by the Shareholders' Meeting: June 15, 2004<br>Fourth Amendment Date and Approval by the Shareholders' Meeting: June 13, 2008<br>Fifth Amendment Date and Approval by the Shareholders' Meeting: June 13, 2016<br>Sixth Amendment Date and Approval by the Shareholders' Meeting: June 16, 2020<br>Seventh Amendment Date and Approval by the Shareholders' Meeting: July 26, 2021<br>Eighth Amendment Date and Approval by the Shareholders' Meeting: June 11, 2022<br><u>Ninth Amendment Date and Approval by the Shareholders' Meeting: June [XX], 2024</u> | Added the amendment date.<br><br>Reference to Article 3 in the "Example of Shareholders' Meeting Regulations." |
| 1.     | The company's shareholders' meeting regulations shall be conducted in accordance with the provisions of these regulations, unless otherwise provided by law or the articles of association.   | The company's shareholders' meeting regulations shall be conducted in accordance with the provisions of these regulations, unless otherwise provided by law or the articles of association.<br><u>The company's shareholders' meeting, unless otherwise provided by law, shall be convened by the board of directors.</u><br><u>When the company convenes a shareholders' meeting via online conference, it shall be specified in the articles of association and resolved by the board of directors. The convening of a video conference shareholders' meeting shall be implemented with the consent of</u>  | Amendment: Reference to Article 3<br><br>Amendment:  |

|  |  |  |
|--|--|--|
| <p>Any change in the company's shareholders' meeting convening method shall be resolved by the board of directors and implemented no later than the issuance of the shareholders' meeting notice.</p> <p>The company shall, thirty days before the shareholders' regular meeting or fifteen days before the shareholders' ad hoc meeting, transmit electronically to the Public Information Observation Platform the notice of the shareholders' meeting, proxy forms, relevant acknowledgment cases, discussion cases, the election or removal of directors and supervisors, and other agenda items and explanatory materials. The company shall, twenty-one days before the regular shareholders' meeting or fifteen days before the ad hoc shareholders' meeting, transmit electronically to the Public Information Observation Platform the shareholders' meeting manual and supplementary meeting materials. However, if the company's paid-in capital at the end of the latest fiscal year exceeds <u>NT\$10 billion</u> or the total foreign and Mainland Chinese shareholding ratio recorded in the shareholders' register at the most recent shareholders' meeting exceeds thirty percent, the company shall complete the transmission of the aforementioned electronic files thirty days before the regular shareholders' meeting. Fifteen days before the shareholders' meeting, the company shall prepare the relevant shareholders' meeting manual and supplementary materials for shareholders' access at any time, and display them at the company and the professional shareholder services agency appointed by the company.</p> <p>The aforementioned meeting manuals and supplementary materials shall be provided to shareholders on the day of the shareholders' meeting in the following ways:</p> <ol style="list-style-type: none"> <li>1. When a physical shareholders' meeting is convened, it shall be distributed at the venue of the shareholders' meeting.</li> <li>2. When a video-assisted shareholders' meeting is convened, it shall be distributed at the venue of the shareholders' meeting and transmitted electronically to the video conference platform.</li> <li>3. When a online shareholders' meeting is convened, it shall be transmitted electronically to the video conference platform.</li> </ol> | <p>two-thirds or more of the directors present at the board meeting, and more than half of the attending directors.</p> <p>Any change in the company's shareholders' meeting convening method shall be resolved by the board of directors and implemented no later than the issuance of the shareholders' meeting notice.</p> <p>The company shall, thirty days before the shareholders' regular meeting or fifteen days before the shareholders' ad hoc meeting, transmit electronically to the Public Information Observation Platform the notice of the shareholders' meeting, proxy forms, relevant acknowledgment cases, discussion cases, the election or removal of directors and supervisors, and other agenda items and explanatory materials. The company shall, twenty-one days before the regular shareholders' meeting or fifteen days before the ad hoc shareholders' meeting, transmit electronically to the Public Information Observation Platform the shareholders' meeting manual and supplementary meeting materials. However, if the company's paid-in capital at the end of the latest fiscal year exceeds NT\$2 billion or the total foreign and Mainland Chinese shareholding ratio recorded in the shareholders' register at the most recent shareholders' meeting exceeds thirty percent, the company shall complete the transmission of the aforementioned electronic files thirty days before the regular shareholders' meeting. Fifteen days before the shareholders' meeting, the company shall prepare the relevant shareholders' meeting manual and supplementary materials for shareholders' access at any time, and display them at the company and the professional shareholder services agency appointed by the company.</p> <p>The aforementioned meeting manuals and supplementary materials shall be provided to shareholders on the day of the shareholders' meeting in the following ways:</p> <ol style="list-style-type: none"> <li>1. When a physical shareholders' meeting is convened, it shall be distributed at the venue of the shareholders' meeting.</li> <li>2. When a video-assisted shareholders' meeting is convened, it shall be distributed at the venue of the shareholders' meeting and transmitted electronically to the video conference platform.</li> <li>3. When a video shareholders' meeting is convened, it shall be transmitted</li> </ol> | <p>In accordance with the Regulations Governing the Administration of Securities and Exchange Business issued on December 8, 2023.</p> |
|--|--|--|

|     |  |   |   |
|-----|--|---|---|
|     |  | electronically to the video conference platform.  |   |
| 2.1 | <p>When the company convenes a video shareholders' meeting, the following matters shall be stated in the shareholders' meeting notice:</p> <ol style="list-style-type: none"> <li>1. The method for shareholders to participate in the video conference and exercise their rights.</li> <li>2. Measures for dealing with obstacles to the video conference platform or participation via video conference due to natural disasters, emergencies, or other force majeure events, including at least the following: <ol style="list-style-type: none"> <li>(1) If obstacles occur and cannot be resolved before the scheduled meeting time, resulting in the need to postpone or continue the meeting, the date and time for the postponed or continued meeting.</li> <li>(2) Shareholders who were not registered to participate in the original video shareholders' meeting shall not be allowed to participate in the postponed or continued meeting.</li> <li>(3) In the event that a video-assisted shareholders' meeting cannot continue, the meeting shall proceed after deducting the number of shares represented by attendance via video conference. If the total number of shares represented by attendance reaches the statutory quorum for the shareholders' meeting, the meeting shall continue, and shareholders participating via video conference shall be deemed to have abstained from voting on all agenda items of that shareholders' meeting.</li> <li>(4) If all agenda items have been announced with results and no ad hoc motions have been made, the method of handling the situation.</li> </ol> </li> <li>3. When convening a video shareholders' meeting, measures for providing appropriate alternatives to shareholders who have difficulty participating via video conference shall be stated.</li> </ol> | <p>When the company convenes a online shareholders' meeting, the following matters shall be stated in the shareholders' meeting notice:</p> <ol style="list-style-type: none"> <li>1. The method for shareholders to participate in the video conference and exercise their rights.</li> <li>2. Measures for dealing with obstacles to the video conference platform or participation via video conference due to natural disasters, emergencies, or other force majeure events, including at least the following: <ol style="list-style-type: none"> <li>(1) If obstacles occur and cannot be resolved before the scheduled meeting time, resulting in the need to postpone or continue the meeting, the date and time for the postponed or continued meeting.</li> <li>(2) Shareholders who were not registered to participate in the original video shareholders' meeting shall not be allowed to participate in the postponed or continued meeting.</li> <li>(3) In the event that a video-assisted shareholders' meeting cannot continue, the meeting shall proceed after deducting the number of shares represented by attendance via video conference. If the total number of shares represented by attendance reaches the statutory quorum for the shareholders' meeting, the meeting shall continue, and shareholders participating via video conference shall be deemed to have abstained from voting on all agenda items of that shareholders' meeting.</li> <li>(4) If all agenda items have been announced with results and no ad hoc motions have been made, the method of handling the situation.</li> </ol> </li> <li>3. When convening a video shareholders' meeting, measures for providing appropriate alternatives to shareholders who have difficulty participating via video conference shall be stated. <u>Except for situations specified in Article 44-9, paragraph 6 of the Corporate Governance Code for Public Companies, the company shall provide at least a connection device and necessary assistance to shareholders, and specify the period for shareholders to apply to the company and other relevant matters to be noted.</u></li> </ol> | <p>Added:<br/>Article 6-1 in reference.</p> |
| 26. | When the company convenes a video shareholders' meeting, appropriate   | When the company convenes a video shareholders' meeting, appropriate  | Added:<br>Article 22 in                     |

|  |   |  |                   |
|--|---|--|-------------------|
|  | <p>alternative measures shall be provided to shareholders who have difficulty attending the meeting via video conference.</p> | <p>alternative measures shall be provided to shareholders who have difficulty attending the meeting via video conference. <u>Except in cases specified in Article 44-9, Paragraph 6 of the Corporate Services Processing Guidelines for Publicly Issued Companies, at least shareholder connection equipment and necessary assistance shall be provided, and shareholders shall be informed of the period during which they may apply to the company and other relevant matters to note.</u></p> | <p>reference.</p> |
|--|---|--|-------------------|

**Resolution:**

# Election Matters



Subject: Comprehensive Re-election of Directors Proposal.

Explanation:

- (1) The term of office for the current (15th) board of directors of the company, including independent directors, will expire on July 25, 2024. The term of office for the company's audit committee and the board of directors is also due to expire. It is proposed to conduct a comprehensive election at the 2024 shareholders' meeting.
- (2) According to Article 14 of the company's articles of incorporation, the 16th board of directors, consisting of seven members (including four independent directors), will be elected. After the shareholders' meeting, the newly appointed independent directors will form the 5th audit committee.
- (3) The election of directors follows a nomination system, with directors selected from the list of nominated candidates. Elections are conducted separately for independent directors and non-independent directors, with separate quotas for each.
- (4) To align with the shareholders' meeting election date, the outgoing directors will be relieved of their duties on the day of the election, while the newly elected directors will assume office on the same day. Their term will be for three years, from June 19, 2024 to June 18, 2027.
- (5) The list of director and independent director candidates, along with relevant information, is provided in the table below.
- (6) For the election procedure for directors, please refer to page 70.
- (7) Proposal for election.

Election Results:

| Nominee Category     | Nominee Name/ID  | Main Education/Experience  | Shareholding (Unit: Shares) | The name of the government or legal entity represented | Other Relevant Information | Whether Served Three Consecutive Terms as Independent Director/Reason   |
|----------------------|--|--|-----------------------------|--|----------------------------|---|
| Director             | Wang, Shiu-Ting/<br>No.1   | Mechanical Engineering, Tatung University Institute of Technology<br>Manager, Texas Instruments<br>Chairman, Taiwan Semiconductor Co., Ltd. President and Director, TSC Auto ID Technology Co., Ltd.   | 12,383,340                  | N/A  | None                       | N/A   |
| Director             | TSC Auto ID Technology Co., Ltd.<br>Representative: Wang, Xing-Lei/No.108742 | N/A / Corporate Director, Taiwan Semiconductor Co., Ltd.<br>MBA, Massachusetts Institute of Technology Consultant, McKinsey & Company<br>Chairman, TSC Auto ID Technology Co., Ltd.<br>Deputy General Manager, Taiwan Semiconductor Co., Ltd.  | 15,960,000                  | TSC Auto ID Technology Co., Ltd. /No. 108742           | None                       | N/A   |
| Director             | Yan, Guo-Yin/<br>No.407  | Electrical Engineering, Fuxing Technical College Factory Manager, Yangxin Changwei Factory Director (Legal Representative), Yangxin Changwei Electronics Co., Ltd.<br>Director (Legal Representative), Tianjin Changwei Technology Co., Ltd.<br>Deputy General Manager, Taiwan Semiconductor Co., Ltd.   | 1,700,772                   | N/A  | None                       | N/A   |
| Independent Director | Jhan, Cian-Long<br>No. Nil   | Ph.D. in Accounting, University of Notre Dame Professor and Department Chair, Department of Accounting, Soochow University<br>Dean, School of Business, Soochow University Vice President<br>Dean of Academic Affairs, Soochow University Independent Director and Compensation Committee Member, Asia Optical Co., Ltd. Compensation Committee Member, Taiwan Semiconductor Co., Ltd.<br>Audit Committee Chair (Convener), Taiwan Semiconductor Co., Ltd.<br>Independent Director, Jabiqi International Co., Ltd.<br>Independent Director, Taiwan Salt Industrial Co., Ltd.<br>Independent Director, Asia Optical Co., Ltd.<br>Independent Director, Jia Yi Health Care Company Director, Heli Shuo Co., Ltd. | 0                           | N/A  | None                       | 1. Considering Professor Jhan, Cian-Long's expertise and experience in finance, accounting, international trade, taxation, and corporate governance, he is listed as a nominee for independent director in this session to enable him to provide professional opinions and advice in his responsibilities.<br>2. Professor Zhan has provided many constructive suggestions for the operation of the company during his tenure as a director, which has greatly benefited the company's operations.<br>3. It is assessed that he should continue to serve. |
| Independent Director | Ma, Shu-Zhuang<br>No. Nil  | MBA, Sloan School of Management, Massachusetts Institute of Technology<br>Bachelor's Degree in Computer Science and Architecture, University of California, Berkeley<br>Current CEO, Yifu Industrial Co., Ltd.   | 0                           | N/A  | None                       | No  |

|                      |                           |  |   |     |      |    |
|----------------------|---------------------------|--|---|-----|------|----|
| Independent Director | Chen, Shu-Ling<br>No. Nil | Social Sciences, Department of Political Science, National Chengchi University<br>Vice President of Human Resources, Trend Micro Inc.<br>Director of Human Resources Service Department, Taiwan Semiconductor Manufacturing Co., Ltd.                        | 0 | N/A | None | No |
| Independent Director | Wang, Nian-Qiu<br>No. Nil | Bachelor of Arts in Psychology, University of British Columbia<br>Executive Training Program in Entrepreneurial Management, National Chengchi University<br>CEO, Yikuan Co., Ltd. (Home Hotel)<br>CEO, Zhaoxu Development Co., Ltd. (Hillside Forest Resort) | 0 | N/A | None | No |

## Discussion Items B

## Discussion Items B

### Second Proposal

Proposed by the Board of Directors

Subject: Proposal to Lift Restriction on Directors' Non-competition Agreements, for Discussion.

#### Explanation:

- (1) According to Article 209 of the Company Act, "Directors shall explain important aspects of their actions that belong to or are related to the company's business scope to the shareholders' meeting and obtain its approval."
- (2) For the needs of the company's business development, it is proposed to seek the shareholders' meeting's resolution to lift the non-competition restrictions on the newly appointed or re-elected directors of the 16th term and their representatives, in accordance with Article 209 of the Company Act, from the date they assume office as directors of such competing companies.
- (3) Proposal for discussion.

#### Resolution:

## Extraordinary Motions

## Adjournment

# Appendix

(Appendix 1)

## TAIWAN SEMICONDUCTOR CO., LTD. Articles of Incorporation

### Section I - General Provisions

Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall Taiwan Semiconductor CO., LTD.

Article 2: The scope of business of the Company shall be as follows:

- 1、CC01080 Electronic Parts and Components Manufacturing
- 2、CB01020 Affairs Machine Manufacturing
- 3、CC01110 Computer and Peripheral Equipment Manufacturing
- 4、F401010 International Trade
- 5、I103060 Management Consulting
- 6、F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- 7、CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
- 8、ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide mutual guarantees with companies in the same industry for its business needs.

Article 2-2: The Company may, by resolution of the board of directors, invest in other entities, and is not subject to Article 13 of the Company Act that the total amount of investment shall not exceed 40% of the company's paid in capital.

Article 3: The Company set up its headquarters in New Taipei City. If necessary, it may set up branch offices domestically or abroad with a resolution by the board of directors.

Article 4: (Deleted).

### Section II - Shares

Article 5: The total capital of the company is set at New Taiwan Dollars ninety billion, divided into nine billion shares, with a par value of New Taiwan Dollars ten per share, authorized for issuance by the Board of Directors in installments. Within the total capital mentioned above, one billion New Taiwan Dollars is reserved, divided into ten million shares, with a par value of New Taiwan Dollars ten per share, designated for the issuance of employee stock subscription warrants by the Company, authorized for issuance by the Board of Directors in installments. The remaining unissued shares may be issued in installments by the Board of Directors in accordance with the law.

Article 6: If the company issued new shares, it shall reserve 10 to 15 percent of the total number of shares issued for employee subscription, which could be subscribed by employees of the company (or its parents or subsidiaries) who qualified certain requirements. If the company repurchased treasury share, it could be transferred to the employees of the company (or its parents or subsidiaries) who qualified certain requirements. If the company issued share subscription warrant, it could be participated by employees of the company (or its parents or subsidiaries) who qualified certain requirements. If the company issued restricted stock, it could be participated by employees of the company (or its parents or subsidiaries) who are qualified certain requirements. The term "employees of parent or subsidiary company who are qualified certain requirements" as used in this article, the Board of Directors is authorized to make separate provisions in accordance with the Company Act.

Article 7: The share certificates of the Company shall all be registered share certificates, affixed with the signature or seal of representative directors and assigned with serial numbers, and may be issued only after having been duly certified or authenticated by the competent authority or by a registrar authorized by the competent authority. Share certificates issued by the Company are not required to be printed. The Company, however, shall register the issued shares with a centralized securities depository enterprise.

Article 8: Registration for transfer of shares shall be suspended sixty days immediately before the date of regular meeting of shareholders, and thirty days immediately before the date of any special meeting of shareholders, or within five days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Article 9: The Company's stock matters shall be governed by the relevant regulations of the competent authority.

### Section III - Shareholders' Meeting

Article 10: Shareholders' meeting can be divided into regular meetings and special meetings. Regular meetings are convened once a year and usually within six months of the end of each fiscal year. Special meetings may be convened according to the law when necessary.

The meeting notice may be made by electronic means with the consent of the counterpart shareholder. Notwithstanding the foregoing, a public notice may be made in lieu of separate notice in the case of shareholders with less than 1,000 registered shares.

Article 10-1: The shareholders meeting may be held in virtual or other ways announced by the Ministry of Economic Affairs.

Article 11: If a shareholder cannot attend a Shareholders Meeting for any reason, it may designate another person to represent it by submitting a proxy that is printed by the Company, specifying the scope of authorization.



Article 12: A shareholder of the Company shall be entitled to one vote for each share held, except in the circumstances article 179 of the Company Act. Unless otherwise stated in the Company Act, any resolution made by the Shareholders Meeting shall be made during a Shareholders Meeting attended by more than half of all shares and passed by the majority of voting rights in attendance.

Article 13: Resolutions adopted at a shareholders' meeting shall be recorded in meeting minutes signed by or affixed with the seal of the chairman of the meeting, and the meeting minutes shall be distributed to each shareholders within twenty days after the meeting. The meeting minutes under the preceding paragraph shall be made and distributed in accordance with the Company Act.

#### Section IV - Directors and Supervisors

Article 14: The Company shall have five to seven directors. The term of directors shall be three years. Directors are elected from the list of candidates and may be eligible for re-election.

In the aforementioned quota of directors of the Company, the number of independent directors shall be 3 (or more), which are elected from the list of candidates of independent directors in the shareholders' meeting under the candidate nomination system. In accordance with the relevant regulations of the competent authority, the professional qualifications, shareholding, prohibition on positions held at other companies, nomination and selection process and other matters of the Company's Independent Directors, are processed under relevant legal regulations.

The Elections for independent Directors and non-independent Directors shall be held concurrently but the respective voting rights shall be separately calculated to determine the elected independent Directors and non-independent Directors.

The minimum total number of registered stock of shares held by all Directors shall be subject to the requirements of relevant regulations.

Article 15: The board of the directors is formed by the directors. The chairperson, who is to represent the Company externally, is elected by a majority voting of the directors present at a meeting of its board of directors attended by two-thirds or more of the directors of the Company.

Article 15-1: To convene a meeting of the Board of Directors, a notice of the meeting shall state the reasons of the meeting and shall be given to each Director by 7 days before the meeting, provided that a meeting may be convened at any time in case of emergency.

The notice of a meeting under the preceding paragraph shall be clearly stated in the written notices, e-mail, or facsimile. The directors who participate in the video conference shall be deemed to have attended the meeting in person.

Article 16: In case the Chairperson of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, his representative shall be selected according to Article 208 of the Company Act.

Article 16-1: Unless otherwise provided by law or regulation, a resolution of the Board of Directors shall be made with the approval of a majority of the Directors present at a meeting at which a majority of the Directors is present. If a director is unable to attend a board meeting for causes, he may issue a proxy to appoint another director to represent him at the meeting. The proceedings of a meeting of the Board of Directors shall be recorded in the meeting minutes. A director may accept only one appointment per meeting.

Article 16-2: The authority of the Board of Directors shall be governed by the Company Act and the relevant regulations.

Article 16-3: The Company shall establish an Audit Committee, which shall consist of all independent directors. The number of members, terms of office, authority, rules of procedure, and the resources to be provided by the Company when exercising its duties shall be separately regulated by the organizational rules of the audit committee.

The Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Law, the Securities and Exchange Law and other relevant regulations, except for the matters of duties prescribed by Article 14-4, paragraph 4, of the Securities and Exchange Act.

The provisions of Article 14-4, paragraph 4, of the Securities and Exchange Act concerning provisions of the Company Act concerning acts done by supervisors, and the role of supervisors as representatives of the company, shall apply mutatis mutandis to the independent director members on the audit committee.

Article 17: Directors of the Company shall be entitled to remuneration for their duties based on the level of involvement and value of contribution of each Director and by reference to the usual level of such pay in the industry, no matter whether the Company is in a loss or not.

Article 17-1: In order to establish a directors' liability insurance system and to reduce the risks from the execution of duties by directors, the Company may purchase liability insurance for directors after each director is elected with respect to the liabilities resulting from exercising their duties during their term of office.

## Section V - Manager

Article 18: The Company may have managers and their appointment, dismissal and remuneration shall be conducted in accordance with Article 29 of the Company Act.

## Section VI - Accounting

Article 19: The fiscal year of the Company shall begin on January 1 of each year and end on December 31 of the same year. After the end of each fiscal year, the Board of Directors shall prepare the following documents and submit them to a regular shareholders' meeting for recognition:

1. A business report
2. Financial statements.
3. A proposal for the distribution of profits or offsetting of losses.

Article 20: In the case of a profitable fiscal year, the Company shall allocate not less than 4% but not more than 10% to employee compensation, and not more than 1 percent as profit-sharing compensation to Directors.

If the Company still has any accumulated loss in a profitable fiscal year, it shall first set aside the amount to offset the loss and then allocate compensation to employee and Directors proportionately. When employee compensation is paid in stock or cash, the recipients include employees of the parent or subsidiary company who are qualified certain requirements. The term "employees of parent or subsidiary company who are qualified certain requirements" as used in this article, authorize the board of Directors to make separate provisions in accordance with the company law.

The above Director compensation shall only be distributed as stock or cash. The distribution of employee and Director's compensation shall be submitted to the shareholders' meeting for resolution and report to the shareholders' meeting.

Article 20-1: In the case of a profitable fiscal year, the Company shall deduct the payment of all taxes required by law, the allocation of the 10 percent legal reserve (no such allocation is necessary if the legal reserve is maintained at the level of the paid-in capital of the Company), and the provision or reversal for the special reserve pursuant to law or regulation, and submit a proposal to a shareholders' meeting for resolution on the distribution of dividends to shareholders.

Article 20-2: When forming its dividend policy, the Corporation considers various factors such as its plans relating to current and future development, the overall investment environment, its financial needs, competition in the domestic and foreign markets, as well as the interest of shareholders. The earnings distribution proposal shall be prepared by the Board of Directors and be approved at a shareholders' meeting. If the Company plans to make distributions, the percentage of earnings to be distributed shall be no less than 10% of the distributable earnings for the year. Dividends shall be distributed in cash or stock, of which no less than 10% of the total dividends shall be distributed in cash, and no less than 10% of the total stock dividends shall be distributed in cash. However, if the cash dividend is less than \$0.2 per share, it will not be paid and will be paid as stock dividend instead.

## Section VII - Supplementary Provisions

Article 21: In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 22: The Articles were enacted on December 15, 1978.

- The first amendment was made on January 18, 1979.
- The second amendment was made on August 1, 1979.
- The third amendment was made on July 5, 1980.
- The fourth amendment was made on August 14, 1980.
- The fifth amendment was made on June 23, 1982.
- The sixth amendment was made on August 19, 1982.
- The seventh amendment was made on June 17, 1983.
- The eighth amendment was made on August 1, 1984.
- The ninth amendment was made on June 23, 1986.
- The tenth amendment was made on April 24, 1987.
- The eleventh amendment was made on October 29, 1987.
- The twelfth amendment was made on June 30, 1988.
- The thirteenth amendment was made on August 10, 1989.
- The fourteenth amendment was made on October 2, 1989.
- The fifteenth amendment was made on March 4, 1990.
- The sixteenth amendment was made on April 15, 1990.
- The seventeenth amendment was made on June 30, 1990.
- The eighteenth amendment was made on April 27, 1991.
- The nineteenth amendment was made on August 20, 1991.
- The twentieth amendment was made on June 30, 1992.
- The twenty-first amendment was made on August 6, 1992.
- The twenty-second amendment was made on December 23, 1994.
- The twenty-third amendment was made on May 20, 1995.
- The twenty-fourth amendment was made on June 22, 1996.
- The twenty-fifth amendment was made on June 28, 1997.
- The twenty-sixth amendment was made on June 19, 1998.
- The twenty-seventh amendment was made on September 28, 1998.
- The twenty-eighth amendment was made on May 22, 2000.
- The twenty-ninth amendment was made on May 28, 2001.
- The thirtieth amendment was made on June 24, 2002.
- The thirty-first amendment was made on June 23, 2003.
- The thirty-second amendment was made on June 15, 2004.
- The thirty-third amendment was made on June 14, 2005.
- The thirty-fourth amendment was made on June 14, 2006.
- The thirty-fifth amendment was made on June 13, 2007.
- The thirty-sixth amendment was made on June 13, 2008.
- The thirty-seventh amendment was made on June 19, 2009.
- The thirty-eighth amendment was made on June 15, 2010.
- The thirty-ninth amendment was made on June 27, 2012.
- The fortieth amendment was made on June 19, 2013.

The forty-first amendment was made on June 13, 2016.  
The forty-second amendment was made on June 14, 2019.  
The forty-third amendment was made on June 16, 2020.  
The forty-fourth amendment was made on June 21, 2022.  
**The forty-fifth amendment was made on June 19, 2023.**

(Appendix 2)

TAIWAN SEMICONDUCTOR CO., LTD.  
Convention Rules for Shareholders' Meetings

|   |   |
|---|---|
|   | <p style="text-align: right;">Implementation Date: 22 June, 1996</p> <p style="text-align: right;">First amendment and implementation date : June 19, 1998</p> <p style="text-align: right;">Second amendment and implementation date : June 24, 2002</p> <p style="text-align: right;">Third amendment and implementation date : June 15, 2004</p> <p style="text-align: right;">Fourth amendment and implementation date : June 13, 2008</p> <p style="text-align: right;">Fifth amendment and implementation date : June 13, 2016</p> <p style="text-align: right;">Sixth amendment and implementation date : June 16, 2020</p> <p style="text-align: right;">Seventh amendment and implementation date : July 26, 2021</p> <p style="text-align: right;">Eighth amendment and implementation date : June 21, 2022</p>   |
| 1 | <p>The rules of procedures for the Company's Shareholders' Meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.</p> <p><u>Changes to how this Corporation convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p> <p><u>This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</u></p> <p><u>This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <p><u>1. For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> |

|     |  |
|-----|--|
|     | <p><u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p>   |
| 2   | <p><u>This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.</u></p> <p><u>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p><u>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</u></p> <p><u>A sign-in book shall be provided at the shareholders' meeting for the attending shareholders to sign in, or the attending shareholder shall surrender the attendance sign-in card in place of signing the sign-in book.</u></p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting</u></p> <p><u>materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>The number of shares in attendance and voting rights shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</u></p> |
| 2-1 | <p><u>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u></p> <p><u>1. How shareholders attend the virtual meeting and exercise their rights.</u></p> <p><u>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p>  |

|   |   |
|---|---|
|   | <p><u>A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending the video shareholders meeting online shall be specified.</u></p> |
| 3 | <p>Attendance and voting at Shareholders' Meetings shall be calculated based on numbers of shares. <u>With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.</u></p> <p><u>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder</u></p> <p><u>The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.</u></p> <p><u>With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.</u></p>   |
| 4 | <p>Shareholders' meetings shall be held at the location of the Company or factory or otherwise at a place convenient for the shareholders to attend and suitable for the holding of shareholders' meetings, and shall start at a time not earlier than 9 a.m. and not later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u></p>  |



|   |  |
|---|--|
| 5 | <p>If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board of Directors. When the Chairperson by reason of leave or otherwise is unable to exercise the power of office, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.</p> <p>If a shareholders' meeting is convened by any person, other than the Board of Directors, entitled to convene such a meeting, the meeting shall be chaired by that person. If the meeting is convened by two or more such persons, they shall select one of their number to chair the meeting.</p>   |
| 6 | <p>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders' Meeting.</p> <p>All staff members working at shareholders' meetings shall wear identification cards or arm badges.</p>   |
| 7 | <p>The Company shall make an uninterrupted audio and video recording of the proceedings of the Shareholders' Meeting. The recorded audio and video materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the aforementioned materials shall be retained until the conclusion of the litigation.</p> <p>The holding of the shareholders meeting of the Company may involve trade secret reports, unless otherwise stipulated by laws and regulations, video and audio recordings are required. It is forbidden for anyone, including shareholders, to video, audio record, or take pictures of the shareholder meeting place and the contents of the meeting.</p> <p><u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p> |
| 8 | <p>The chair shall call the meeting to order at the appointed meeting time and announce relevant information such as number of non-voting rights and of shares present at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. <u>If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u></p>   |

|    |  |
|----|--|
|    | <p>If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, the situation must be handled in accordance with Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 2.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolutions made previously for a vote by the Shareholders' Meeting in accordance with Article 174 of the Company Law.</p>   |
| 9  | <p>If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors; <u>relevant agenda items (including extraordinary motions and amendments to original proposals) shall be voted on an item-by-item basis</u>. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders' Meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a Shareholders' Meeting convened by a party with the power to convene that is not the Board of Directors.</p> <p>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda under the two preceding paragraphs (including extraordinary motions), except by a resolution of the Shareholders' Meeting. In the event that the chair dissolves the meeting in violation of the rules of meeting procedure, a new chair may be selected to continue the meeting with the approval of a majority of the voting rights of the shareholders present.</p> <p>After the meeting is adjourned, the shareholders may not designate another person as chair and continue the meeting in the original location or at a different location.</p> <p><u>The chair shall allow sufficient opportunity for the explanation and discussion of an agenda item or any amendment or extraordinary motion submitted by a shareholder, and when the chair thinks that any such item has been discussed sufficiently to put it to a vote, the chair may declare the discussion closed, put forward the voting, and arrange an adequate time for voting.</u></p> |
| 10 | <p>When an attending shareholder wishes to speak regarding a proposal up for discussion, he or she must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p>   |
| 11 | <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.</p>   |

|    |   |
|----|---|
|    | <p>If the speech of any shareholder violates the above Article or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Article 10 and paragraphs 1 to 2 of this Article do not apply.</u></p>   |
| 12 | <p>When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal.</p>  |
| 13 | <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>  |
| 14 | <p>The chair shall announce the end of discussion on a proposed resolution and proceed with voting when he/she feels there has been sufficient discussion.</p>  |
| 15 | <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p>The result of the vote shall be announced immediately at the voting place and shall be recorded.</p> <p><u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p> |
| 16 | <p>When a meeting is in progress, the chair may announce a break at his or her discretion. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</p>   |

|    |  |
|----|--|
|    | <p>If the venue of a shareholder's meeting becomes unavailable for use before the conclusion of all agenda items (including extraordinary motions), the shareholders at the meeting may resolve to continue the meeting at another venue.</p> <p>A shareholders' meeting may, by a resolution made under Article 182 of the Company Act, be adjourned to or resumed on a date within the next five days.</p>   |
| 17 | <p>Each shareholder is entitled to one vote for each share held, except for restricted shares or for non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholder meeting, it shall <u>adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence</u>. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; <u>it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals</u>.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p><u>If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p> <p>Except as otherwise provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.</p> <p>In the resolution, after the Chairman or delegate thereof announces the total number of voting rights represented by shareholders in attendance for voting on each issue, shareholders will proceed with voting on a case-by-case basis. On the day after the shareholders' meeting, the results of shareholders' approval, disapproval and abstention will be entered into the MOPS.</p> |

|    |  |
|----|--|
| 18 | When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.  |
| 19 | The chair shall direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."  |
| 20 | <p><u>When voting for the directors in the shareholders meeting, the process shall follow the relevant rules made by the company, and the chairman shall announce the voting result immediately, including the list of elected directors with the number of votes and the lost directors with the number of votes.</u></p> <p><u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Taiwan Company Act, the ballots are retained until the litigation is concluded.</u></p>  |
| 21 | <p>Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and shall be distributed to each shareholder within twenty days after the meeting. The meeting minutes may be made and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the procedures by which resolutions were adopted, and a summary of the deliberations and their results (including the number of voting rights) for director and supervisors elections, the number of votes for each candidate should be disclosed, and shall be retained for the duration of the existence of the Company.</p> <p><u>In the event of a virtual shareholders meeting, the meeting minutes shall be recorded in accordance with the provisions of the preceding paragraph and the meeting minutes shall also record the starting and ending time of the shareholders meeting, the method of holding the meeting, the name of the chair and the recorder, and the action and the situation to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u></p> |
| 22 | <u>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders</u>   |

|    |  |
|----|--|
|    | <p><u>attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p><u>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</u></p>  |
| 23 | <p><u>In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned</u></p>   |
| 24 | <p><u>When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>   |
| 25 | <p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> |

|                  |  |
|------------------|--|
|                  | <p><u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p> |
| <p><u>26</u></p> | <p><u>When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending the video shareholders meeting online.</u></p>  |
| <p><u>27</u></p> | <p>These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.</p>  |

(Appendix 3)



TAIWAN SEMICONDUCTOR CO., LTD.  
"Rules for the Election of Directors"

|           | Established on June 27, 2012<br>First Amendment Date: June 13, 2016<br>Second Amendment Date: July 26, 2021  |
|-----------|--|
| Article 1 | The election of directors of the company shall be conducted in accordance with the provisions of these rules, except as otherwise provided by law or the articles of incorporation of the company.   |
| Article 2 | <p>The election of directors of the company shall be conducted in accordance with the system of candidate nomination stipulated in the Company Act and the articles of incorporation of the company. Shareholders shall appoint from the list of director candidates.</p> <p>During the election of directors by the shareholders' meeting, each share shall have the same number of voting rights as the number of directors to be elected. The voting rights may be consolidated to elect one person or distributed to elect several persons. The person or persons receiving the most votes shall be elected as directors in order. The election of directors shall be conducted by open ballot. The identification of the voter shall be represented by the shareholder account number or attendance number printed on the ballot. The ballots shall be prepared and issued by the board of directors, and the format, content, and items to be filled in shall be based on the ballot printed. Voters are not allowed to add, delete, or modify them arbitrarily. Ballots for the election of directors shall be cast into the ballot box designated by the chairman. In addition to the provisions of the preceding two paragraphs, shareholders may exercise their voting rights in writing or electronically; the method of exercise shall be specified in the notice of convocation of the shareholders' meeting.</p> <p>When the company sets up independent directors according to the articles of incorporation, the election of independent directors and non-independent directors shall be conducted together, and the number of elected positions shall be calculated separately. The election of independent directors shall be conducted in accordance with the "Regulations Governing the Establishment and Compliance Matters of Independent Directors of Public Issuers" and relevant laws and regulations.</p> |
| Article 3 | In the election of directors of the company, if two or more persons have equal voting rights and exceed the number of positions to be elected, the persons with equal voting rights shall coordinate the election among themselves. If coordination cannot be reached, the director position shall remain vacant.  |
| Article 4 | Before the election begins, the chairman shall designate several inspectors and counters to perform various related tasks.   |
| Article 5 | The election ballots shall be prepared by the board of directors in the same number as the number of directors to be elected, issued according to the attendance numbers, and filled in with their voting rights.  |
| Article 6 | (Deleted)  |
| Article 7 | Ballots shall be deemed invalid under any of the following circumstances:<br>1. Ballots not prepared by the convener.<br>2. Blank ballots cast into the ballot box.<br>3. Illegible or altered handwriting.  |



|            |  |
|------------|--|
|            | <p>4. The <u>filled-in candidate</u> does not match the list of director candidates.</p> <p>5. Other writings besides voting allocation.</p> <p>6. <u>(Deleted)</u></p>                              |
| Article 8  | After the voting is completed, the ballots shall be counted on the spot, and the results shall be announced by the chairman, <u>including the list of elected directors and their voting rights.</u> |
| Article 9  | Elected directors shall be issued a notice of election by the board of directors.  |
| Article 10 | These regulations shall come into effect after being passed by the shareholders' meeting, and any amendments shall also follow the same procedure.   |

## (Appendix 4)

## Shareholding of Directors

Roster of  
director

Date: April 21, 2024

| Title                | Identity Number | Name                             | Election Date | Number of shares held on election date |            |                        | Number of shares held at present |            |                        |
|----------------------|-----------------|----------------------------------|---------------|--|------------|------------------------|----------------------------------|------------|------------------------|
|                      |                 |                                  |               | Type                                   | Shares     | Percentage when public | Type                             | Shares     | Percentage when public |
| Chairman             | A00010          | Wang, Shiu Ting                  | July 26, 2021 | ordinary shares                        | 11,608,340 | 4.38%                  | ordinary shares                  | 12,383,340 | 4.70%                  |
| Director             | D00060          | TSC Auto ID Technology Co., Ltd. | July 26, 2021 | ordinary shares                        | 13,600,000 | 5.13%                  | ordinary shares                  | 15,960,000 | 6.06%                  |
| Director             | D00070          | UMC Capital Corp.                | July 26, 2021 | ordinary shares                        | 6,741,000  | 2.54%                  | ordinary shares                  | 6,741,000  | 2.56%                  |
| Independent director | N00010          | Jhan, Cian-Long                  | July 26, 2021 | ordinary shares                        | 0          | 0.00%                  | ordinary shares                  | 0          | 0.00%                  |
| Independent Director | N00020          | Fan, Hong-Shu                    | July 26, 2021 | ordinary shares                        | 0          | 0.00%                  | ordinary shares                  | 1,000      | 0.00%                  |
| Independent Director | N00030          | Lin, Bo-Sheng                    | July 26, 2021 | ordinary shares                        | 0          | 0.00%                  | ordinary shares                  | 0          | 0.00%                  |
| Independent Director | N00040          | Ma, Shu-Zhuang                   | July 26, 2021 | ordinary shares                        | 0          | 0.00%                  | ordinary shares                  | 0          | 0.00%                  |
| Total                |                 |                                  |               | ordinary shares                        | 31,949,340 |                        | ordinary shares                  | 35,085,340 |                        |

Total shares issued on July 26, 2021: 265,085,486 shares

Total shares issued on April 21, 2024: 263,485,486 shares

Remark : All directors of the Company shall legally hold shares : 12,000,000 shares , hold as of April 21, 2024 : 35,084,340 shares

The Company has established an Audit Committee ; therefore, the Supervisors' shareholdings requirement is not applicable.

© Shares held by independent directors are not included in the number of shares held by directors