

Director Information

Professional qualifications and independence analysis of directors :

Name	Criteria	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Chairman, Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung-Yi Wu	<ul style="list-style-type: none"> Required work experience in commerce, law, finance, accounting or other fields required by the business of the company Professional qualifications and Experience this Annual Report 2.2.1 Director Information (I) ㄱ (pages 7-11) None of the directors had any of the conditions stated in Article 30 of The Company Act (Note 1) 		(N/A)	None
Director, Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin				None
IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu				None
Director, Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu				None
Director, GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li				None
Director, Yu-Mei Wu				None
Director, CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu				None
Independent Director, Chia-Chi Kuo		All of the following situations apply to each and every of the Independent Directors: 1. Satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Taiwan's Securities and Futures Bureau 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any FBT shares 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service"		1
Independent Director, Yi-Min Lin				None
Independent Director, Cheng-Shong Hong				None

Note 1: A person shall not act in a management capacity for a company, and if so appointed, must be immediately discharged if they have been:

1. Convicted for a violation of the Statutes for the Prevention of Organizational Crimes and: has not started serving the sentence; has not completed serving the sentence; or five years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
2. Convicted for fraud, breach of trust or misappropriation, with imprisonment for a term of more than one year, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
3. Convicted for violation of the Anti-Corruption Act, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
4. Adjudicated bankrupt or adjudicated to commence a liquidation process by a court, and having not been reinstated to his or her rights and privileges;
5. Sanctioned for unlawful use of credit instruments, and the term of such sanction has not expired yet;
6. if she/he does not have any or limited legal capacity; or
7. if she/he has been adjudicated to require legal guardianship and such requirement has not been revoked yet

- Note 2:
1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.
 2. Not serving concurrently as an independent director on more than three other public companies in total.
 3. During the two years before being elected and during the term of office, meet any of the following situations:
 - (1) Not an employee of the company or any of its affiliates;
 - (2) Not a director or supervisor of the company or any of its affiliates;
 - (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
 - (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs(2) and (3);
 - (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;
 - (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
 - (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
 - (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company; and
 - (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NT\$500,000". Board Diversity and Independence TSMC establishes the "Guidelines for Nomination of Directors" that set out the procedures and criteria for the no

Compensation paid to directors, the President, and vice presidents in the last year
The salary paid to Remuneration of Directors and Independent Directors in the most recent year
Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Remuneration								Total remuneration (A+B+C+D) and its ratio to net profit after tax (%)				Relevant Remuneration Received by Directors Who are Also Employees								Total remuneration (A+B+C+D+E+F+G) and its ratio to net profit after tax (%)				Receive remuneration from investments outside the subsidiary or from the parent company
		Base Compensation (A)		pension contribution (B)		Directors Compensation (C)(Note2)		Allowances (D)						Salary, Bonuses, and Allowances (E)		pension contribution (F) (Note 1)		Employee Compensation (G)								
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statemes	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statement							
																				total amount	%	total amount	%	Cash	Stock	
Chairman	Chiuan-Dau INVESTMENT Co., Ltd.Representative: Chung -Yi Wu	3,224	3,224	0	0	2,996	2,996	42	42	6,262	3.38%	6,262	3.38%	0	0	0	0	0	0	0	0	6,262	3.38%	6,262	3.38%	None
Director	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin	0	0	0	0	1,000	1,000	42	42	1,042	0.56%	1,042	0.56%	0	0	0	0	0	0	0	0	1,042	0.56%	1,042	0.56%	None
Director	IDEA INVESTMENT Co.,Ltd.(Note2) Representative: Chung-Ming Wu	0	0	0	0	2,100	2,100	42	42	2,142	1.16%	2,142	1.16%	2,775	2,775	0	0	1,048	0	1,048	0	5,965	3.22%	5,965	3.22%	None
Director	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu	0	0	0	0	700	700	42	42	742	0.40%	742	0.40%	613	613	35	35	67	0	67	0	1,457	0.79%	1,457	0.79%	None
Director	GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	0	0	0	0	1,000	1,000	42	42	1,042	0.56%	1,042	0.56%	0	0	0	0	0	0	0	0	1,042	0.56%	1,042	0.56%	None
Director	Yu-Mei Wu	0	0	0	0	700	700	42	42	742	0.40%	742	0.40%	0	0	0	0	0	0	0	0	742	0.40%	742	0.40%	None
Director	CHING YUAN INVESTMENT Co.,Ltd. Representative: Yen-Hsing Wu	0	0	0	0	700	700	42	42	742	0.40%	742	0.40%	0	0	0	0	0	0	0	0	742	0.40%	742	0.40%	None

Unit: NT\$ thousands

Title	Name	Remuneration								Total remuneration (A+B+C+D) and its ratio to net profit after tax (%)				Relevant Remuneration Received by Directors Who are Also Employees								Total remuneration (A+B+C+D+E+F+G) and its ratio to net profit after tax (%)				Receive remuneration from investments outside the subsidiary or from the parent company
		Base Compensation (A)		pension contribution (B)		Directors Compensation (C)(Note2)		Allowances (D)						Salary, Bonuses, and Allowances (E)		pension contribution (F) (Note 1)		Employee Compensation (G)								
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statement							
																				total amount	%	total amount	%	Cash	Stock	
Independent Director Chia-Chi Kuo	Chia-Chi Kuo	396	396	0	0	0	0	77	77	473	0.26%	473	0.26%	0	0	0	0	0	0	0	0	473	0.26%	473	0.26%	None
Independent Director Chia-Chi Kuo	Yi-Min Lin	396	396	0	0	0	0	77	77	473	0.26%	473	0.26%	0	0	0	0	0	0	0	0	473	0.26%	473	0.26%	None
Independent Director Chia-Chi Kuo	Cheng-Shong Hong	396	396	0	0	0	0	77	77	473	0.26%	473	0.26%	0	0	0	0	0	0	0	0	473	0.26%	473	0.26%	None
<p>1. The policy, system, standards, and structure by which independent and non-independent director compensation is paid, and the association between the amount paid and directors’ responsibilities, risks, and time committed:</p> <p>(1).According to the Company’s “Director Remuneration and Employee Remuneration Allocation Policy”: independent directors are paid NT\$25,000 per month per person, and an additional NT\$8,000 per month per person for assuming a concurrent role as Remuneration Committee member, regardless of profitability.</p> <p>(2).According to the Company’s Articles of Incorporation, director remuneration may not exceed 5% of the profit before tax, employee remuneration, and director remuneration.</p> <p>According to the Company’s “Director Remuneration and Employee Remuneration Allocation Policy, the board of directors makes annual allocations of remuneration at no more than 5% of the current year’s earnings, after taking into consideration the uncertainties and risks associated with future operations. The allocated amount of remuneration is reviewed by the Remuneration Committee at the end of the year and subsequently presented to the board of directors; the board then approves the final sum after evaluating the uncertainties and risks associated with future operations, and allocates it to individual directors based on the level of contribution to the Company’s performance. Independent directors are not entitled to director remuneration allocated from the annual profit.</p> <p>2. Compensation received by directors for providing services to any company included in the financial statements in the last year (e.g. consultancy services without the title of an employee), except those disclosed in the above table: None.</p>																										

Note: (1) Represents pension contribution required by laws.

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements(H)	The company	Companies in the consolidated financial statements (I)
Less than NT\$ 1,000,000	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu Yu-Mei Wu, Chia-Chi Kuo, Yi-Min Lin, Cheng-Shong Hong	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu Yu-Mei Wu, Chia-Chi Kuo, Yi-Min Lin, Cheng-Shong Hong	CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu Yu-Mei Wu, Chia-Chi Kuo, Yi-Min Lin, Cheng-Shong Hong	CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu Yu-Mei Wu, Chia-Chi Kuo, Yi-Min Lin, Cheng-Shong Hong
NT\$1,000,000 ~ NT\$2,000,000	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li
NT\$2,000,000 ~ NT\$3,500,000	IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	None	None
NT\$3,500,000 ~ NT\$5,000,000	None	None	None	None
NT\$5,000,000 ~ NT\$10,000,000	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung -Yi Wu	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung -Yi Wu	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung -Yi Wu IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung -Yi Wu IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming W
NT\$10,000,000 ~ NT\$15,000,000	None	None	None	None
NT\$15,000,000 ~ NT\$30,000,000	None	None	None	None
NT\$30,000,000 ~ NT\$50,000,000	None	None	None	None
NT\$50,000,000 ~ NT\$100,000,000	None	None	None	None
Greater than or equal to NT\$100,000,000	None	None	None	None
Total	10	10	10	10

Amount of compensation paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, President, and vice presidents, and their respective proportions to net income, as well as the policies, standards, and packages by which they were paid, the procedures through which compensation was determined, and the association with business performance and future risks:

1. Percentage of separate or standalone net income paid by the Company and all companies included in the consolidated financial statements as compensation to the Company's directors, supervisors, President, and vice presidents in the last 2 years

Item Title	The company				Companies in the consolidated financial statements			
	2023		2024		2023		2024	
	Amount (thousands)	Ratio of the net income(after tax)	Amount (thousands)	Ratio of the net income(after tax)	Amount (thousands)	Ratio of the net income(after tax)	Amount (thousands)	Ratio of the net income(after tax)
Remuneration of Directors(Note2)	18,726	10.32%	18,671	10.09%	18,726	10.32%	18,671	10.09%
Remuneration of the President and Vice Presidents	6,447	3.55%	6,380	3.45%	6,447	3.55%	6,380	3.45%

Note : 1. The total remuneration for directors in 2024 slightly decreased compared to 2023, primarily due to a reduction in the allocation of year-end bonuses for those directors who also serve as employees. Similarly, the total remuneration for the General Manager and Deputy General Managers in 2024 slightly decreased compared to 2023, also due to a decrease in the allocation of year-end bonuses.

Note : 2. Directors' compensation includes remuneration received by two directors who also serve as general managers and employees.

2. Compensation policies, standards, packages, and procedures, and association with future risks and business performance:

(1) Compensation policy, standards, packages:

A. Directors' compensation is paid according to Article 23 of the Company's "Articles of Incorporation," which caps the amount of director remuneration at 5% of the profit before tax, employee remuneration, and director remuneration. However, profit must first be retained for reimbursement of cumulative losses, if any.

Directors' compensation is subject to regular evaluation according to the "Director Remuneration and Employee Remuneration Allocation Policy." The outcome of the performance evaluation and the rationality of the compensation are subject to review by the Remuneration Committee and board of directors, at which time the board will again approve the final sum after taking into consideration the uncertainties and risks associated with future operations, and allocate it to individual directors based on the level of contribution to the Company's performance. Furthermore, according to the Company's "Director Remuneration and Employee Remuneration Allocation Policy,"

independent directors are paid monthly fixed compensation and are not entitled to director remuneration. Allocation of the above director remuneration has to be reported to the shareholders' meeting.

- B. Managers' compensation is determined according to internal policies such as "Remuneration Committee Charter," "Director Remuneration and Employee Remuneration Allocation Policy," "Year-end Bonus and Special Bonus Allocation and Payment Policy," "Salary Determination Policy," and "Labor Pension Management Policy." Yearly compensation for members of the executive management includes a fixed component and a variable component that changes depending on the performance results. Compensation for senior managers is correlated with operational performance. According to the Company's "Articles of Incorporation," at least 2% of profit concluded in the year shall be allocated as employee remuneration (from profit before tax, employee remuneration, and director remuneration). However, profit must be retained to cover cumulative losses, if any. The above decisions are subject to board of directors' approval and reported to the shareholders' meeting.

Outcome of the performance evaluation conducted in accordance with the "Director Remuneration and Employee Remuneration Allocation Policy" will serve as reference for the payment of managers' bonus. Managers' performance is evaluated using financial indicators including the management profit and loss account, profit contribution of individual business segments/departments, and managers' target attainment rates, which provide the basis for performance-based compensation. The compensation system is examined from time to time to reflect operating conditions and to comply with applicable laws.

- C. Managers' compensation package, as outlined in the Remuneration Committee Charter, includes cash salary, retirement benefits or severance pay, allowances, and incentives. These payments are consistent with the scope of directors' and managers' compensation stated in the "Regulations Governing Information to Be Published in Annual Reports of Public Companies."

(2) Procedures for determining compensation:

- A. Directors' and managers' compensation is regularly assessed based on the outcome of the performance evaluation conducted in accordance with the "Director Remuneration and Employee Remuneration Allocation Policy." Meanwhile, compensation for the Chairman and the President is determined according to the "Salary Determination Policy" and "Year-end Bonus and Special Bonus Allocation and Payment Policy" after taking into consideration the peer level and operational performance indicators, and is subject to the review of the Remuneration Committee. To ensure strong association with corporate performance, the Company measures managers' performance using operational, governance, and financial indicators such as profit before tax, Corporate Governance Evaluation etc.
- B. In fiscal year 2024, the performance self-evaluations of the Board of Directors, individual board members, and members of all functional committees all exceeded standards. The Company's pre-tax net profit for 2024 was NT\$397,251 thousand, representing a 6.54% increase compared to the pre-tax net profit of NT\$372,870 thousand in 2023. In the Corporate Governance Evaluations for listed and OTC companies, the Company ranked in the top 6%–20% among OTC-listed companies in the 1st through 9th and the 11th evaluations, and

ranked in the 21%–35% range in the 10th evaluation. The performance evaluation results of managers for fiscal year 2024 all met the predetermined target requirements.

- C. Directors' and managers' performance evaluation and the rationality of their compensation are subject to annual review by the Remuneration Committee and the board of directors, which takes into consideration not only individual performance, target attainment, and contribution, but also the Company's overall business performance, future industry risks and trends etc. The Company examines its compensation system from time to time to reflect the prevailing circumstances and laws, and sets compensation at a reasonable level after taking into account current corporate governance trends, business continuity, and risk management concerns. The actual amounts of 2024 directors' and managers' compensation paid were reviewed by the Remuneration Committee and presented for resolution by the board of directors.
- (3) Association with business performance and future risks:
- A. The Company adjusts its compensation policies, standards, and systems primarily to support overall operations. Individual compensation is determined based on target attainment and level of contribution, and this association is deemed effective at improving the overall efficiency of the board of directors and the management. The Company also observes the compensation standards of its peers to ensure that it remains competitive at retaining top management talent in the given industry.
 - B. The Company has aligned the performance targets of its managers with "risk management" to ensure that risks within the scope of duty are duly managed and prevented. Outcomes of the performance evaluation are associated with human resources and salary/compensation policies. All important decisions by the management are made after weighing various risk factors. Outcomes of such decisions are reflected in the final profit performance, and are relevant to the management's compensation and future risk control efforts.