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About LA Semiconductor

LA Semiconductor is a premier, stateside manufacturer specializing in high-quality semiconductor solutions. Our commitment to innovation, sustainability, and regulatory compliance ensures that our products meet the highest industry standards.

Purpose

LA Semiconductor has developed a comprehensive system to onboard, develop, and provide information to our suppliers. This document was created to inform our suppliers of LA Semiconductor's processes used to manage suppliers and the requirements we expect our suppliers to meet.

Non-Disclosure Agreements

LA Semiconductor requires non-disclosure agreements (NDAs) to protect both LA Semiconductor and its suppliers when confidential information is exchanged. An NDA must be in place and include the appropriate language before any confidential information is shared. However, the NDA does not serve as a contract for other business purposes and does not replace agreements such as a purchase agreement, consulting agreement, development agreement, or technology agreement. Prior to exchanging information, LA Semiconductor and its supplier will have, or will enter into, another agreement (e.g., a purchase agreement) that includes approved confidentiality provisions.

Corporate Social Responsibility

LA Semiconductor is committed to the mission and principles of the Responsible Business Alliance (RBA) Code of Conduct, including labor, ethics, environmental, health, and safety standards. We certify that our products are free from restricted materials and that all metals used in our products are not sourced from conflict-affected or high-risk areas.

As a signatory to the United Nations Global Compact, LA Semiconductor upholds international human rights standards and local laws. These commitments are embedded in our core values and reinforced through our Code of Business Conduct. We are dedicated to maintaining the highest standards of social responsibility wherever our products are made.

We require our suppliers to provide safe working conditions, treat workers with dignity and respect, prohibit human trafficking and slavery (including the procurement of commercial sex acts and the use of forced or child labor), promote ethical behavior, adopt environmentally responsible manufacturing practices.

Environmental

All purchased materials, services, and products used in manufacturing must comply with current governmental, statutory, and regulatory requirements, including safety

constraints on restricted, toxic, and hazardous materials. They must also meet environmental, electrical, and electromagnetic standards applicable in the country of manufacture and sale.

Additionally, all purchased materials, services, and products must conform to LA Semiconductor's environmental requirements as outlined in the latest revision of the LA Semiconductor Chemical Content and Conflict Minerals Compliance (IDQUGNF00026). Suppliers may be required to provide supporting evidence of compliance.

Quality System

A risk management-focused ISO 9001 Quality Management System (QMS) certification is the minimum requirement for direct material suppliers. The ISO 9001 certification must include an accreditation mark from a recognized IAF MIL member. Suppliers may also be required to demonstrate conformance to IATF 16949. The use of Process Failure Modes and Effects Analysis (FMEA) and other Automotive Core Tools is recommended. Any certification or compliance changes must be communicated to the LA Semiconductor supplier quality team.

Right of Entry

LA Semiconductor, regulatory authorities, and our customers have the right to verify, at the supplier's premises, that materials, services, or products conform to specified requirements. This includes access to all facilities involved in the order and all applicable records.

Verification does not absolve the supplier of the responsibility to provide acceptable materials, services, or products, nor does it preclude subsequent rejection by LA Semiconductor.

Business Continuity

All suppliers are expected to develop a documented Business Continuity Plan (BCP) to ensure the ability to perform critical functions and provide services in the event of an unexpected disruption. These plans should be validated through a business continuity assessment.

Supply Chain Security

Suppliers are required to implement and maintain a robust supply chain security program to safeguard materials, products, and data from unauthorized access, tampering, theft, or disruption. Suppliers must take proactive measures to mitigate risks related to cybersecurity, counterfeit parts, and physical security throughout the supply chain.

Supplier Selection and Development Process

The Procurement and Logistics Manager at LA Semiconductor hold the ultimate responsibility for selecting suppliers. Supplier selection is a critical step in the Supplier Development Program, ensuring that only those who meet LA Semiconductor's expectations and requirements are considered. The selection process enables the Strategic Sourcing team to evaluate suppliers based on performance and business needs, ultimately choosing the most qualified partners.

Suppliers are evaluated based on several key factors, including:

- Technology Capability – Does the supplier have the technology to meet LA Semiconductor's needs?
- Cost Competitiveness – Is the supplier cost-effective while maintaining quality?
- Delivery and Capacity – Can the supplier meet required delivery schedules and production capacities?
- Value-Added Services – Does the supplier support LA Semiconductor's service programs and improvement initiatives?
- Resources and Scalability – Does the supplier have the technical, physical, and financial resources to support LA Semiconductor's future demands?

Supplier Selection Process

The process begins when LA Semiconductor's Technology Development Group or Procurement and Logistics team has a need for a new material, service, or product—or when an alternate source is required for existing materials. LA Semiconductor prioritizes directing new business to preferred or approved suppliers. If no suitable supplier is available, a new supplier is selected.

Supplier Evaluation & Qualification

Suppliers are further evaluated based on the status of their quality system, using the VDA 6.3 audit methodology. A Supplier Quality Engineer (SQE) will either:

- Conduct an on-site assessment at the supplier's facility, or
- Request the supplier to complete a self-assessment.
- Once approved, the supplier must provide materials, services, or products for qualification per the Production Part Approval Process (PPAP) and LA Semiconductor's internal requirements.

Supplier Qualification and Change Notification Requirements

Implementation & Qualification Requirements

Suppliers must ensure that all materials, services, and product processes are properly qualified by LA Semiconductor before production begins. This includes

maintaining a verification process to stay compliant with current specifications and revisions.

Qualification Process

A qualification process is mandatory before the first production shipment in the following cases:

- Introduction of a new supplier for materials, services, or products
- Changes to materials, services, or products due to engineering modifications (e.g., design records, specifications, material updates)
- Re-qualification of previously disqualified items due to major quality issues or a production lapse (typically two years)

Product/Process Change Notification (PCN) Requirements

Suppliers must notify LA Semiconductor of any significant changes in the manufacturing process, material, service, or product flow. This applies to all aspects of LA Semiconductor's product lifecycle, including New Product Development.

Types of Major Changes Requiring Notification:

- Modifications to design records
- Changes in quality conformance, including test/inspection methods or procedures
- Relocation of the manufacturing site
- New or modified tooling that may affect product integrity, including equipment transfers
- Process step changes that impact customer requirements for fit, form, function, or performance
- Changes in raw material composition or supplier source
- Adjustments to handling, packaging, or storage methods
- Additional changes as defined in material specifications

During the New Product Development phase, suppliers must provide written notification to the Project Manager and Development Engineer before implementing any source changes.

PCN Submission & Approval Process

- Written notification must be sent to LA Semiconductor at least:
 - 6 months before implementing major process changes
 - 12 months (if documented in the material specification) before the first product shipment
 - 24 months for automotive, military, aerospace, or medical products
- PCN Documentation Requirements:
 - Description of the change and supplier's PCN number
 - List of affected part numbers

- Justification for the change, including potential benefits to LA Semiconductor
- Proposed implementation timeline
- Supporting data, such as test results and site change management records

LA Semiconductor will review the PCN and provide one of the following responses:

- Approved – Supplier may proceed with implementation.
- Conditionally Approved – Supplier must meet qualification requirements before implementation.
- Rejected – The change does not meet LA Semiconductor’s requirements and cannot be implemented.

For subcontractors and foundry change requests, approval must be managed through PCN submission in the CRM (Change Request Management) system.

Material, Service & Product Verification

To maintain quality standards, LA Semiconductor **verifies conformance** using:

- Statistical data analysis
- Certificates of Conformance (C of C) & Certificates of Analysis (C of A)
- Third-party assessments & receiving inspections
- Reliability Audit Programs (RAP)

Suppliers must provide statistical data and accommodate quarterly assessments when requested.

End-of-Life (EOL) Notification

Suppliers must provide advance notice for product discontinuation:

- Minimum 12 months before termination
- 6-month window to place final orders
- 12 months for final shipments (or 24 months, if specified in the material specification)

Specification Compliance & Corrective Actions

- Suppliers will receive a Specification Acceptance Form that will accompany the respective specification. The supplier will use the acceptance form to acknowledge and accept, or request exemption from the contents of the specification.
- Compliance Confirmation Deadlines:
 - Material specifications: Suppliers must confirm compliance within 14 days.

- Policy specifications: Suppliers have 30 days to respond.
- **Handling Non-Conforming Material:**
 - Suppliers must report out-of-specification materials within 24 hours.
 - Corrective action plans (8D format) must be submitted within 5 business days.
- **Deviation Requests:**
 - Written approval is required before shipping any non-conforming materials.

Quality & Compliance Requirements

- **Process Control:**
 - Compliance with ISO 9001 & IATF 16949 standards are mandatory.
 - Suppliers must have documented procedures and controlled conditions for production.
- **Inspection & Testing:**
 - All products must pass verification before shipment.
 - Measurement systems must meet Gauge R&R (MSA) standards.
- **Certificates of Conformance (C of C) & Analysis (C of A):**
 - Every shipment must include a C of C with key details such as:
 - Manufacturer & LA Semiconductor information
 - Lot codes, part numbers, and quantities
 - Statement of conformance
 - PO number and date of transaction
 - Specification number and drawing number (if applicable)
- **Document Control**

Suppliers must maintain a documented process to ensure the control of quality system documents, design specifications, and other product-related records. All controlled documents must be reviewed by authorized personnel and formally approved before release and use.
- **Control of Records**

Quality records must be maintained in a legible and easily retrievable manner upon request. Unless otherwise specified, and in the absence of product-specific requirements, suppliers must retain quality records for a minimum of 15 years. These records must include, but are not limited to, inspections, tests, Material Review Board (MRB) documents, product/process/equipment qualifications, Certificates of Analysis (C of A), and Certificates of Conformance (C of C). Additionally, suppliers must retain quality records for all provided products and their respective components or materials.

- **Calibration**
Equipment used in manufacturing products for LA Semiconductor must comply with ISO/IEC 17025 calibration standards. Subcontracted calibration services should be controlled to also meet this requirement.
- **Statistical Process Control (SPC):**
Suppliers must demonstrate continual improvement through the utilization of SPC and Critical parameters must meet $Cpk \geq 1.67$ for qualified parts.
- **Measurement System Analysis (MSA)**
Before a measurement system can be used to verify a Design Output Specification (DOS) for an LA Semiconductor product, it must demonstrate the required detection capability. Suppliers must conduct Gage R&R studies when measurement system changes occur and implement a systematic approach for continuous improvement of the gage system.

Identification and Traceability Requirements

The supplier is responsible for ensuring full traceability of all materials and products supplied. Each delivered lot must be labeled with a unique traceability code on its packaging. The supplier must maintain both forward and backward traceability, enabling identification of manufacturing lots and all materials or components used in the supplied product.

In the event of an identified error, the supplier must be able to promptly trace, isolate, and contain defective materials or products, minimizing the impact on affected quantities and timeframes. This includes tracking personnel contributions to product or service conformity and product safety, where applicable.

Personnel Qualification and Training

The supplier must establish and maintain a documented process for personnel qualification and training. This process must define training requirements, certification criteria, and record-keeping procedures.

All training and certification activities must be planned, executed, and documented, ensuring personnel competence in contributing to product or service conformity and, where applicable, product safety.

Performance Measurement & Improvement

LA Semiconductor evaluates supplier performance based on:

- Quality & Reliability – Incoming quality, repeat issues, corrective actions
- Delivery & Logistics – On-time delivery, premium freight usage
- Cost Management – Price competitiveness, cost reduction initiatives
- Service – Responsiveness, compliance

Poor-performing suppliers are subject to corrective action plans, audits, and performance monitoring.

Supplier Goal Plan (SGP) & Continuous Improvement

The Supplier Goal Plan (SGP) helps LA Semiconductor and suppliers:

- Identify improvement areas
- Align on shared goals
- Track performance & corrective actions

Suppliers are expected to collaborate on continuous improvement initiatives to enhance quality, cost, and efficiency.

Final Notes:

- Compliance with these guidelines is essential for maintaining an approved supplier status.
- Failure to meet requirements can result in disqualification or business reassessment.

Form Revision History

Revision	Change Originator	Description/Reason for Revision Change	Change Analyst	Effective Date
A	Tyler West	Initial document creation for LA Semiconductor.	Heidi Morrison	11-Feb-2025