

Micro-Found Electronics

Quality Assurance
Agreement - QAA



MICRO-FOUND ELECTRONICS LTD 微方电子
YOUR GLOBAL STRATEGIC PARTNER
您信赖的战略合作伙伴

January 2011

between Micro-Found Electronics, LLC
 8875 Hidden River Parkway
 Suite 300
 Tampa, Florida 33637

(hereinafter referred to as the Supplier)

and Our customers
 North America, South America, Europe, Asia, Australia
 Global locations

(hereinafter referred to as the Customer)

Preface

The competitiveness and position of our customers in the world market is decisively influenced by the quality of its products. The faultless quality and reliability of purchased components have a direct influence on the overall quality of its end-use applications.

This Quality Assurance Agreement is a statement of the fundamental technical and organizational conditions detailing Micro-Found Electronics' deliveries and services to our customers that are geared towards an intended quality objective of "zero defects". It describes policies and procedures currently in place as a basis for Micro-Found's total quality management system.

The conclusion of this Quality Assurance Agreement represents an indispensable step for a continued successful business relationship with our customers.

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1. Supplier's responsibility for the quality of delivered products

The supplier is responsible for providing products and services which are free from defects, in accordance with component OEM technical documents. All products must comply with original manufacturer specifications in form, fit and function.

The quality strategy of the supplier must be oriented towards continuous improvement of its processes and services. The objectives are "zero defects", 100% delivery performance and the reduction of costs.

The supplier also undertakes to meet promised deadlines, e.g. for delivery of samples, shipping of customer orders, introduction of corrective measures, documentation requests.

2. Scope of the agreement

This agreement is entered into by the Customer's Purchasing department and Micro-Found Electronics, LLC. and applies to all components and products delivered to the customer by the supplier.

3. Supplier's Quality Management System

3.1 Procurement Policies

The supplier currently purchases components for inventory or to fulfill customer orders from the following sources:

- Manufacturer direct
- Franchised distributors
- OEM/EMS excess
- Approved independent distributors

Direct manufacturer and franchised distribution channels generally have low risk and require minimum quality assurance protocols. OEM/EMS excess stock must have full traceability to component manufacturers or franchised distributors. Supplier overlooks delivery and storage of documentation to prove the origin of components procured from OEM/EMS excess stock. Approved independent distributors must undergo an extensive appraisal including the following factors:

- Industry position
- Better Business Bureau (professional ethics)
- ERAI Status
- Financial Stability
- Dunn & Bradstreet Rating
- Bank & Trade references

Approved independent distributors must also provide full traceability documentation and/or full test reports on a case-by-case basis.

3.2 Vendor Evaluations

Independent distributors are stored in supplier's vendor database utilizing an A through F grading system.

Approved vendors are evaluated quarterly for quality, performance, and delivery. Supplier uses a statistical process control in correlation to alphabetic grade to upgrade or downgrade approved vendors.

Supplier agrees to procure only from A or B rated vendors. B rated vendors must go through corrective action planning in an effort to achieve A rated status.

4. Packaging, Labeling and Transport

The supplier will ensure that the quality of the products is not impaired in the course of transportation to the relevant customer point of receiving or through just-in-time delivery or vendor-managed-inventory delivery to ongoing production.

The supplier shall deliver solely in packaging compliant with manufacture specifications and ensure safe handling as to minimize any damage incurred during transport. Further, the supplier will use only the mode of transport and shipping details as agreed upon with the customer.

All electro-static sensitive devices shall be properly packaged to provide protection from electrostatic discharge and in accordance with JEDEC standard JESD625-A. Material packaging shall not negatively influence material quality or include any impurities. Moisture sensitive devices shall be packaged in an ESD Moisture Barrier Bag and labeled appropriately.

5. Zero Defect Strategy

The supplier undertakes that its TQM system, policies, and procedures commits to the "zero defect" strategy.

Supplier shall use statistical process controls and supporting process capability analysis to achieve continuous quality improvement and failure rate reductions. Customer may define the method used in reporting quality goals and the means expressing the results such as DPPM or percentages.

Supplier shall maintain and make available upon request outgoing quality inspection, reliability records, and applicable data as defined within this document and provide such data to customer upon request.

6. Customer Complaint / Returned Product Analysis Process

Supplier shall investigate and drive resolution to any customer complaints or returned product occurrences in a timely manner. Supplier agrees to provide a corrective and preventative action plan that responds to complaints received from customer.

Supplier shall apply appropriate problem-solving techniques to identify root causes and implement permanent corrections.

7. General Provisions

Any modifications or side agreements shall require written form. In the event that any provision of this Quality Assurance Agreement is invalid or may become invalid, the validity of the remaining provisions shall not be affected thereby and shall remain valid.

The parties commit themselves, in good faith, to replace any invalid provision with a valid provision that has an economic result equivalent to the original provision.

Supplier

Micro-Found Electronics, LLC
Supplier Name

John K. Nguyen
Name

Signature

June 24, 2011
Date

Customer

Supplier Name

Name

Signature

Date