

Wuhan Xinxin Semiconductor Manufacturing Corporation

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Document Level: (For Engineering & Quality Document/□□□□□□□□)			
<input type="checkbox"/> Level 1 - Manual <input checked="" type="checkbox"/> Level 2 – Procedure/SPEC/Report <input type="checkbox"/> Level 3 - Operation Instruction			
Security Level:			
<input type="checkbox"/> Security 1 - XMC Confidential <input checked="" type="checkbox"/> Security 2 - XMC Restricted <input type="checkbox"/> Security 3 - XMC Internal			
Document Change History			
Rev.	Effective Date	Author	Change Description
0	2007-08-31	Lunar Lan	Initiate
0.1	2010-5-13	Wendy Nie	Update "QSM" to "OSCA" in whole mainfile and attachment 001/002
0.2	2012-01-13	Wendy Nie	Update "OSCA" to "QSM" in whole main file and attachment 001/002
1	2012-04-11	Wendy Nie	<p>Main file:</p> <ol style="list-style-type: none"> 1. Change the responsibility from “Sales and Marketing” to “CE” in item 6.1, change 6.2.1 to “QSM shall contact the audit parties directly if the audit is required from the parties other than the customer”, Change “is” to “are” in item 6.3. 2. Change “External Audit Requirement” to “Notification of External Audit” in 7.1.2, 7.1.4. 3. Change 7.1.6 to “QSM shall coordinate the relevant departments to fills in and/or complete the items in the checklist.” 4. Add “if necessary” in 7.2.3 and change 7.2.5 to “QSM shall hold a summary meeting to justify the feasibility of the customer audit if necessary.” 5. Add “self-assessment (including audit result if it is required)” in 7.2.4. Change 7.3.3 to “CE shall coordinate a greeting meeting to show the organization profile.” 6. Change 7.3.4. to “Designated QSM members shall coordinate the task team (or audit committee) to show the evidence with explanation to prove the conformity of quality systems and the products with the customer’s requirement, in meeting room or around XMC” 7. Add “in e-CAR system”, “plan” change to “Request” in 7.4.1, transpose 7.4.2 and 7.4.3 item, change 7.4.2 to “QSM follows up and verifies the corrective actions and collects all the evidences”, add “using format of 8.3, or follow customer requirement” in 7.4.3, Add 7.4.4. <p>Attachment:</p> <ol style="list-style-type: none"> 1.Attachment 001: Modify “CAR” to “Corrective Action Request” in title; Delete “Please apply 5W1H: Who, When, Where, What, Why and How” in action statement ; modify “submit” to “effective” 2.Attachment 002: Modify column from “Customer industry”, “Contact

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			<p>person”, “Title”, “Division”, “Email Address”, “Telephone”, “Fax” and “Products & fabs” to “Customer Complete Name”, “Language”, “Technology”, “Audit Lines”, “Lot/PDE/QE/RE owner” and “Audit Agenda”; delete “No.”, “Date”, “QSM fill in” columns</p> <p>3. Appendix 1: Change "Notice to QSM □" to "Notice to QSM □", change "QSM & task force initiate CAR □" to "QSM & task force initiate CAR□ "; Fine-tune the flow step from " Pre-audit meeting & general focuses" to "Summary meeting", "QSM & task force initiate CAR" to "Close case & file record", and correct some typo errors; Add "with task force attendance" after "Quality presentation" and "Audit close meeting".</p>
2	2013-06-11	Tina Gong	<ol style="list-style-type: none"> 1. Add 6.2.4 QSM should conduct regular training on how to face external audit on an annually basis. 2. Add 7.5 training content. 3. Add the 3rd party audit flow in 8.3 appendix 2 4. Update customer audit flow in 8.3 appendix 1 5. In 8.3 appendix 1, change external audit flow to customer audit flow, change VP to division head, change internal manager to section manager, change VP check to sponsor dept. manager approval, delete send CAR to customer flow according to current operation.
3	2013-09-17	Tina Gong	<ol style="list-style-type: none"> 1. Add 7.2.6 All the relevant departments or units should follow “Say (presentation) =Write (O.I. definition) =Do (Evidence)” policy to prepare presentation materials and the rehearsal should cover known issues including previous audit failure/finds, abnormal cases, CIP implemented etc. 2. Add 7.2.7 QSM and all the relevant departments or units should prepare more questions from the presentation materials during rehearsal. 3. Add 7.3.6 All the AR response reports/materials are required to be reviewed by QSM before showing to customers. 4. Add 7.5.3 QSM should conduct training on how to answer auditor’s question before audit for specified sponsors.
4	2019-09-12	Spring Guo	<ol style="list-style-type: none"> 1. 3 scope change XMC to YMTC&XMC 2. 6.1.2 change XMC to YMTC&XMC 3. 4 Delete VP 4. 6.3 change VPs to Department managers 5. 7.1.4 change VPs to department manager 6. 7.5.2 All new employee engineers (Job grade≥33)

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1. Title: The External Audit Management Procedure
2. Purpose: The purpose of this procedure is to establish a management system to promote the effectiveness and efficiency of the activities dedicating to the good achievement of external audit. Define the activities, responsibilities and processes necessary in this procedure and consequently to carry out the audit under control and with expected result.
3. Scope: This procedure applies to any audits proposed by customers and /or any parties who have the authorities or obligation to implement audit on [YMTC & XMC](#). All the departments and activities regarding the quality assurance and /or any others specified by the audit should be engaged in this procedure.
4. Nomenclature:
 - 4.1 CE: customer engineering department
 - 4.2 QSM: quality system department
 - 4.3 Pre-audit: internal audit with the purpose of correct the non-conformity before the customer audit.
5. Reference: NA
6. Responsibility:
 - 6.1 CE
 - 6.1.1 CE is responsible for the first stage contact of the customer for proposed audit and collect /confirm general information related to it.
 - 6.1.2 CE shall take care of persuading the customer to submit the audit report to [YMTC&XMC](#) and send the corrective action plan to the customer for approval.
 - 6.2 QSM
 - 6.2.1 QSM shall contact the customers and audit parties directly if the audit is required from the parties other than the customer.
 - 6.2.2 QSM shall coordinate all the activities for the audit, writing the audit plan, leading the pre-audit, accompanying the customer to do the audit and initiating the corrective action plan for customer approval and finalizing the customer audit summary report.
 - 6.2.3 QSM shall follow up and verify all the corrective actions and propose further improvement requirement if necessary. QSM takes the responsibility for providing help to other units in implementing the corrective actions.
 - 6.2.4 QSM shall conduct regular training on how to face external audit on an annually basis.
 - 6.3 [Department managers](#) of concerned departments are responsible for the internal approval of the corrective action.
 - 6.4 The fabs and the relevant departments
 - 6.4.1 Fabs are responsible for participating in the initiating and implementing the corrective actions for process and product qualities within the recommended time.
 - 6.4.2 The relevant departments shall take responsibilities for correcting their problems found in the audit.

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7. Subject Content:

7.1 Audit requirement and information processing

- 7.1.1 CE actively tries to collect audit information, such as customer complete name, the person to be contacted, the person in charge of the audit, the auditors names as well as the contact method, as soon as it receives the notice from the customer. Additionally, CE has to request the customer to offer the self-assessment checklist or alike if it is possible.
- 7.1.2 CE should confirm the information and fill in the form “Notification of External Audit” within two working days and send it to QSM for checking. Any changes about the information should pass on to QSM for updating without any delay.
- 7.1.3 If the audit is conducted by customer’s customer, CE shall first get confirmation from the direct customer and then give the audit notification to QSM **three weeks before audit**.
- 7.1.4 QSM reviews and confirms the situation and schedules in two working days the audit in the form “Notification of External Audit” and report the issue to Q & R **department manager** for approval if the information is detailed enough for making decision. However, QSM should fill the form itself when the audit is required from the parties other than the customer.
- 7.1.5 QSM shall organize the persons from relevant department to establish a task team(or audit committee) and to discuss the activities or problems to be coped with during the audit. QSM shall distribute audit notice to the relevant departments for review and preparation making.
- 7.1.6 QSM shall coordinate the relevant departments to fills in and/or complete the items in the checklist.

7.2 Pre-audit organization and implementation

- 7.2.1 Based on the customer general requirement and/or the checklist, QSM holds a explanation meeting to focus on the customer concerned items, points or processes, emphasizing the previous audit result, especially the corrective actions taken and verification result, and making clear all the key points or items in the quality system elements. QSM prepares for the pre-audit checklist if the external auditors do not provide the similar ones or some points or elements have to be highlighted.
- 7.2.2 All the relevant departments or units implement the self-assessment to find problem in the processes or system and undertake corrective actions if necessary, reporting big problems to QSM for review and help.
- 7.2.3 QSM shall organize and lead the pre-audit according to the schedule if necessary and the relevant departments or units take corrective actions for findings or non-conformity detected in the system, processes or products. The due time and owners should clearly defined for the corrective action and QSM shall do the follow up and verify the result. Further corrective action is recommended if the result does not meet the expectation.
- 7.2.4 QSM shall send the self-assessment (including audit result if it is required) to the customer for review via CE or directly if it is required and close the case if self-assessment is the only requirement.
- 7.2.5 QSM shall hold a summary meeting to justify the feasibility of the customer audit if necessary.
- 7.2.6 All the relevant departments or units should follow “Say (presentation) =Write (O.I. definition) =Do (Evidence)” policy to prepare presentation materials and the rehearsal

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should cover known issues including previous audit failure/finds, abnormal cases, CIP implemented etc.

- 7.2.7 QSM and all the relevant departments or units should prepare more questions from the presentation materials during rehearsal.

7.3 Audit itinerary and activities

- 7.3.1 CE shall coordinate the lodging and boarding and the activities supporting the audit, including picking ups, seeing offs, projects show preparation, video show and so on.
- 7.3.2 Customers are required to sign NDA(non-disclosure agreement)before conducting audit. This includes customer's customers and those who take part in the audit. Generally speaking, quality related documents either in soft copy or in hard copy shall only show to customer's customer for review and they are not allowed to take them out of XMC. They can only ask for reference material from their customer, not directly from XMC.
- 7.3.3 CE shall coordinate a greeting meeting to show the organization profile.
- 7.3.4 Designated QSM members shall coordinate the task team (or audit committee) to show the evidence with explanation to prove the conformity of quality systems and the products with the customer's requirement, in meeting room or around XMC. They should take down the problems and non-conformances found during the audit and make containment correction as soon as possible.
- 7.3.5 Owners of different areas shall present the audit at their areas and provide evidence and explanations to the problems specified for them.
- 7.3.6 All the AR response reports/materials are required to be reviewed by QSM before showing to customers.

7.4 Corrective action and summary report

- 7.4.1 QSM together with the task force members review the non-conformances pointed out by the customer auditors and initiate the Corrective Action Request which should be submitted to VPs of related owners for Approval, in e-CAR system.
- 7.4.2 QSM follows up and verifies the corrective actions and collects all the evidences.
- 7.4.3 CE/ QSM sends the Corrective Action to customer for approval, sends the Corrective Action to customer for approval, using format of 8.3, or follow customer requirement.
- 7.4.4 QSM files the Corrective Action plan as the quality record and prepare for follow-up audit.

7.5 Training

- 7.5.1 QSM should conduct regular training on how to face external audit on an annually basis.
- 7.5.2 [All new employee engineers \(Job grade≥33\)](#) in FAB, Q&R,P&T, SPM, HR, M&S, Corp planning & engineering, TD shall attend the training course on [how to face external audit](#).
- 7.5.3 QSM should conduct training on how to answer auditor's question before the audit for specified sponsors.

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8. Attachment:

8.1 Customer Audit Corrective Action Request Form

8.2 Notification of External Audit

8.3 Appendix 1: Customer Audit Flow Chart

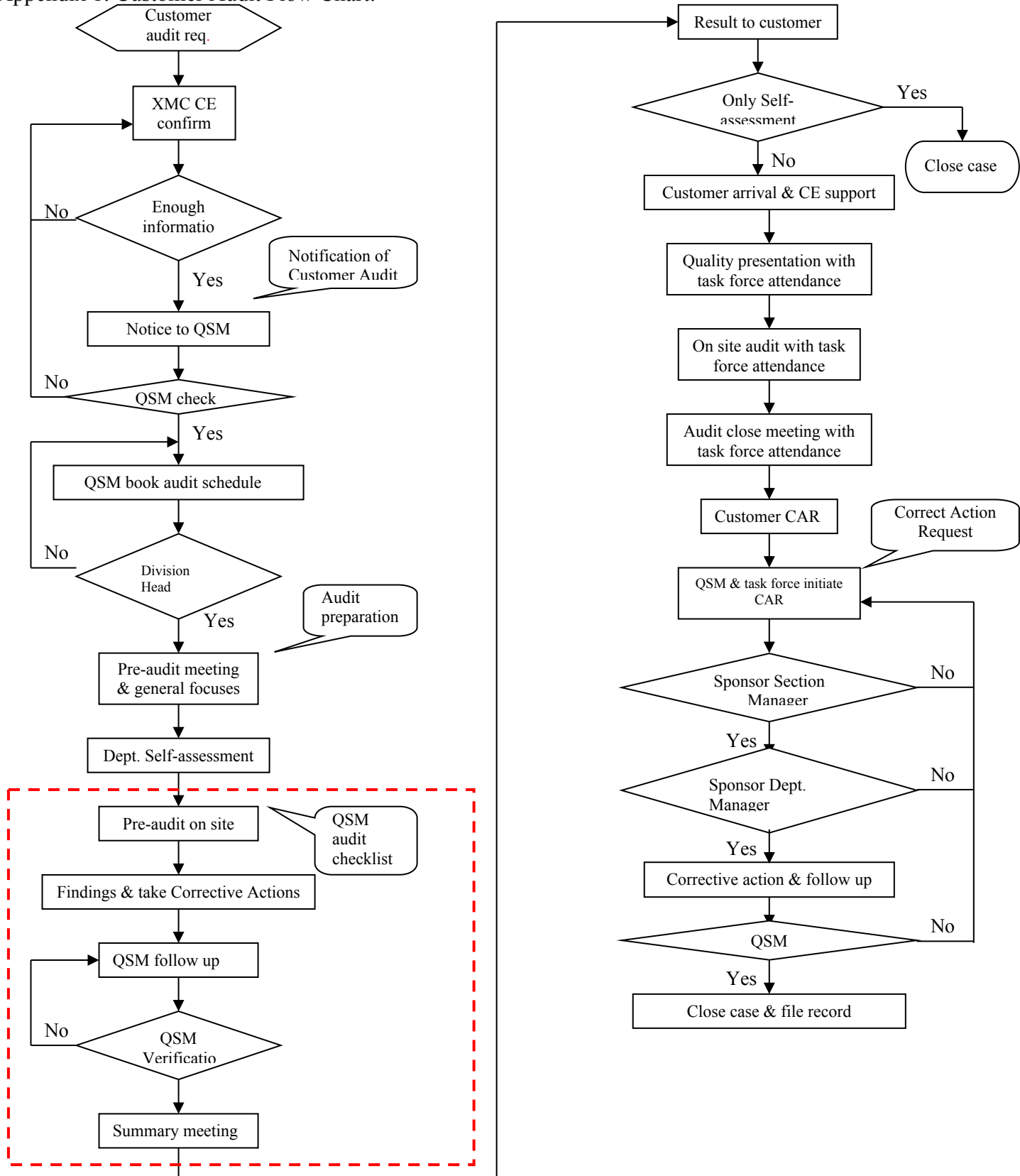
Appendix 2: The 3rd Party Audit Flow Chart

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Appendix 1: Customer Audit Flow Chart:

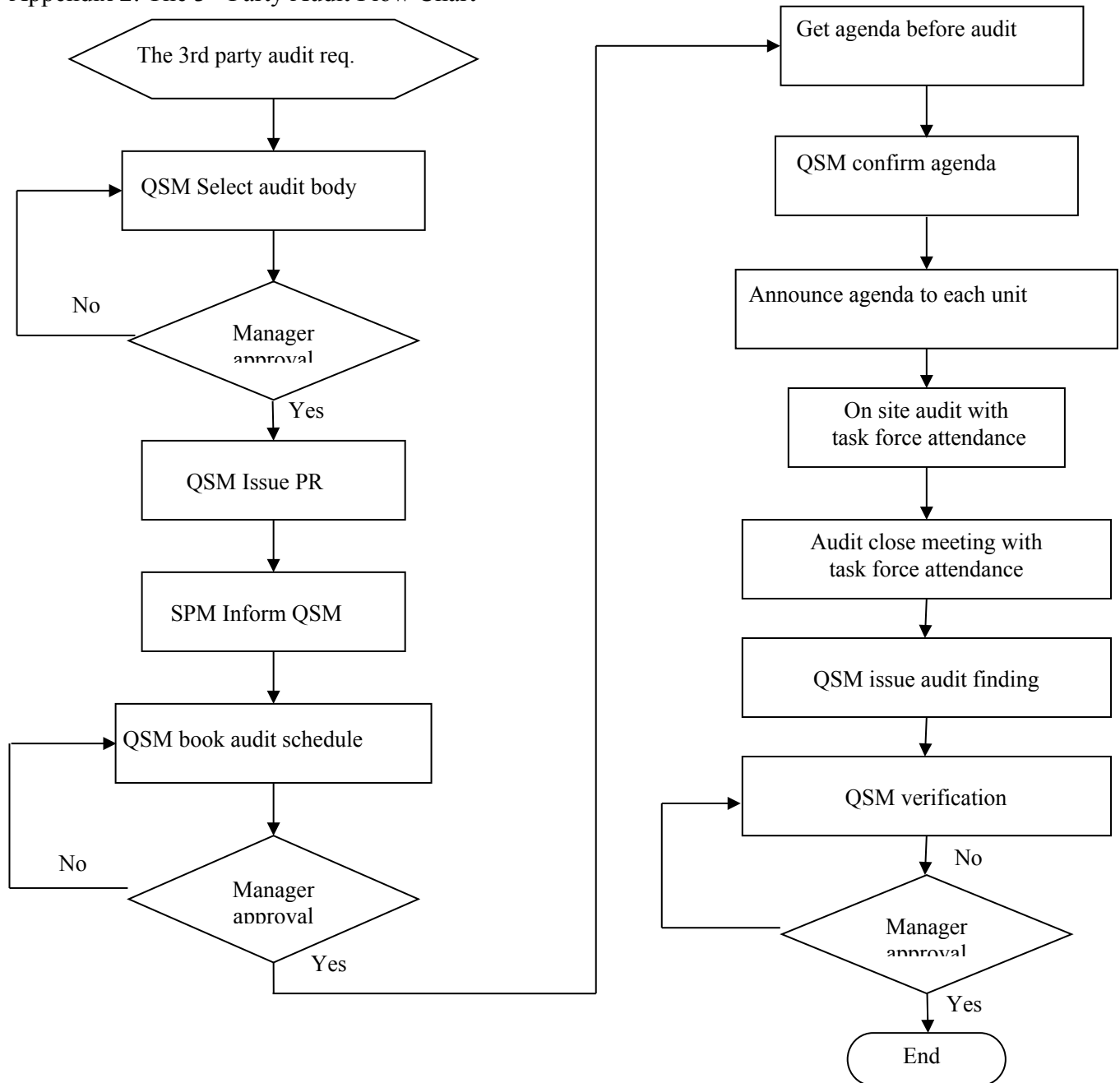


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Appendix 2: The 3rd Party Audit Flow Chart



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