

## IATF 16949 Customer Notification

## Dear Valued Silicon Labs Customer,

The IATF (International Automotive Task Force) has given Silicon Labs notice that they will not allow Silicon Labs to renew our ISO/TS16949:2009 certification. Silicon Labs had been certified to ISO/TS16949 since January of 2008 and has successfully passed all surveillance and re-certification audits since then to maintain its IATF 16949 certification.

More specifically, the reason that Silicon Labs is not be allowed to renew its ISO/TS16949 certification this year is due to an IATF rules update to TS16949 in Oct 2013 (4th edition). Rule #1 (Eligibility for Certification for ISO/TS16949:2009), now reads:

"Site' shall be understood as the location at which value-added manufacturing processes occur (See IATF 16949, section 3.1). Fabless sites are not eligible for IATF 16949 certification..."

Until this latest revision, independent IATF 16949 auditors have concluded that Silicon Labs' operations included value- added manufacturing processes. Firmware programming and other finishing operations are completed "inhouse" by Silicon Labs and are required for our end products to meet all specifications. However, the IATF has now concluded that Silicon Labs is a "fabless" manufacturer under this new rule definition. Our previous registrar, TUV SUD, a member of the IATF, states:

"The IATFs response was that Firmware insertion did not constitute manufacturing (based on their definition of fabless) and therefore any organization that outsourced the wafer fab and package assembly portions did not qualify for ISO/TS 16949 as they do not meet the applicability requirement of ISO/TS 16949. Given that this answer was confirmed unanimously by all the IATF members that were present from all oversight bodies, including the German oversight body representative to which TUV SUD reports we must then take this as an official interpretation. TUV SUD has no recourse to appeal this decision given that all oversight bodies confirmed the answer."

The current Silicon Labs ISO/TS16949:2009 certification expired on January 24, 2015. Based on the above, Silicon Labs will not be able to re-certify to IATF16969:2016. The change in certification status was not due to any change made by Silicon Labs and we are indeed disappointed. Our commitment to quality and continuous improvement will not change due to this outcome, and we will continue to support AIAG AEC-Q100 Qualification and PPAP/PSW documentation for all of our automotive devices.



In order to show our ongoing commitment to meet and exceed IATF 16949, TUV has committed to continue the IATF 16949 auditing of Silicon Labs' Quality Management System and will provide annual documentation regarding Silicon Labs' QMS conformance to IATF 16949 requirements. In addition, Silicon Labs continues to partner with world- class IATF 16949 certified wafer fabrication, assembly, and test suppliers for all of its automotive products.

Silicon Labs recognizes the importance of IATF 16949:2016 registration and the needs of our automotive customers. Despite the position of the IATF with respect to our IATF 16949 certification, Silicon Labs remains a committed supplier in the automotive market, and, more specifically, to you as our valued customer. So please contact us as soon as possible if this is an issue for your company. We also encourage you to speak to your IATF representative to reinstate their original definition of Rule #1.

Thank you very much for your understanding and support.

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Vu Do Senior Vice President of Global Operations Silicon Laboratories Inc.