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1. Introduction

This document has been produced for the purpose of communicating management policies to all employees and customers. All managers shall ensure that they and their staff are aware and deploy these policies consistently at all levels and throughout all areas of the organization.

The contents of this document effectively combine and communicate the general management system of Tabor Electronics Ltd. This system is based on the requirements of ISO 9001:2000 and includes components specifically addressing matters of relevance to an electronic company environment.

This English version has been translated from Hebrew. In the event of a conflict between the English and the Hebrew version, the Hebrew version shall take precedence. Nothing in this document however shall supersede applicable laws and regulations.

Related Procedure: ***QAP 1.0 Management Responsibility***

2. Overview of the Company

Established in 1971, Tabor Electronics has become a world-leading source of high-end test and measurement equipment.

With experience spanning over three decades, the Company has earned global recognition for its highly skilled workforce and innovative engineering capabilities.

In addition to offering a full range of self-branded instruments, Tabor is also a world-class OEM that private-labels a variety of products for industry leaders. Many companies have allied with Tabor for its unique in-house design and development capabilities, and unwavering commitment to excellence. Together, we are developing the next generation of advanced test and measurement solutions.

The Company's extensive product portfolio includes universal counters/timers, synthesizers, pulse, function and arbitrary waveform generators, waveform creation software and more, in various platforms, interfaces and frequency ranges. Technologically advanced, featuring the highest levels of performance, reliability, and most of all, price-competitive, they are sought-after in a diverse array of applications.

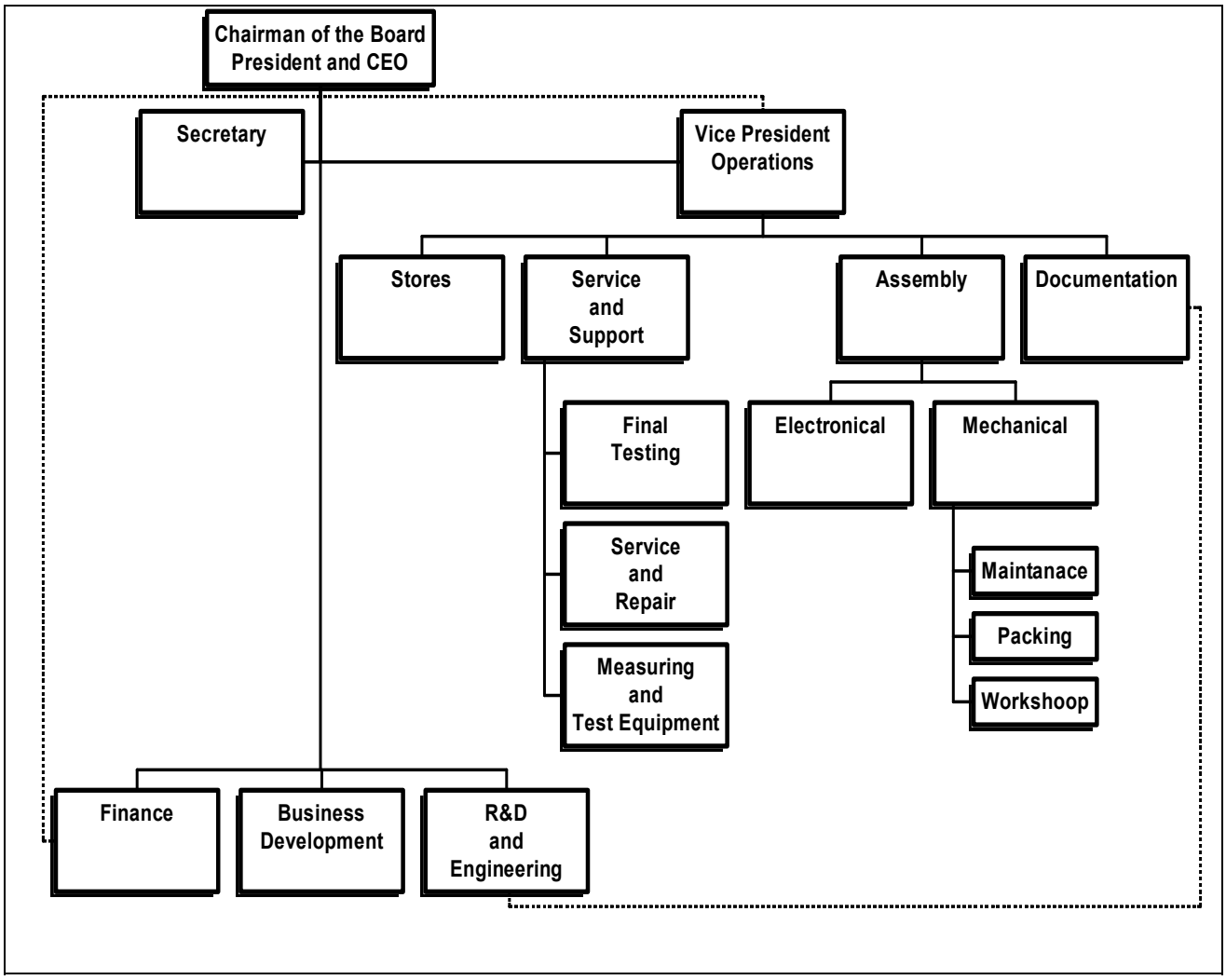
Over the past decade Tabor has extended its global reach, maintaining direct sales and support offices throughout the United States and Israel, and a worldwide distribution network. The Company has become a partner of choice for over 50 major distributors and integrators.

Not content to rest on past accomplishments, Tabor is channeling considerable attention and resources into meeting future test and measurement challenges, while continuously enhancing existing instruments. Our reputation for dedication and dependability has achieved a level frequently associated with much larger organizations - another reason Tabor has become first choice for lasting relationships.

Related Procedure: ***QAP 1.0 Management Responsibility***

3. Organization

Detailed responsibilities of each department and employee are described in their ***Individual Role Definition Document***.



Related Procedure: ***QAP 1.0 Management Responsibility***

4. Company Guiding Policy

It is the policy of Tabor Electronics that implementation of high quality is the only way to meet customer's expectation in a strong competitive market.

Related Procedure: ***QAP 1.0 Management Responsibility***

5. Quality Policy

At Tabor, Quality is a way of life and Customer Satisfaction, our number-one priority. Employees in all levels participate in a company-wide endeavor to continuously enhance both Quality and Customer Satisfaction.

Tabor's uncompromising commitment to excellence begins with the engineering and design process and continues throughout the manufacturing cycle to post installation service and support. Product designs are thoroughly evaluated on a continuing basis to ensure that the equipment delivered meets or even exceeds the published specifications.

It is the policy of Tabor Electronics that the primary responsibility for the product's quality rests with the production department. In-process control and inspection is consequently maintained in all departments through operator Quality Control inspection.

Related Procedure: QAP 1.0 Management Responsibility

6. System

Tabor Electronics is maintaining a Quality Assurance system based on ***ISO – 9001:2000***. The Quality Management system is under the supervision of the ***Quality and Certification Division of the Standards Institute of Israel***. Tabor's Quality System has been audited and certified to comply with EN 61010-1, ISO/IEC 17025, SI-936, IPC-A-610C and EN 60051-3/A1.

Related Procedure: QAP 1.0 Management Responsibility

7. Quality Assurance Manual

The Quality Assurance Manual is the basic framework of the company's policies and procedures. The Quality Assurance Manual covers all the Quality Assurance and Inspection activities.

Related Procedure: QAP 5.0 Documentation

8. Design Control

R&D will establish procedures for the control and verification of the design, in order to meet customer's requirements. The documented system will start with ***Preliminary Design*** until the ***Final Approval*** of the product.

Product related design input requirements, including applicable statutory and regulatory requirements, will be identified, documented, and reviewed for adequacy by R&D. Design inputs will be stored for five (5) years or per customer requirements.

Design output will consist of Drawings, Calculations and Critical characteristics of the product (when applicable). Design output documents will be used for purchasing, production and testing, to assure safe and proper functioning of the product. Design output documents will be reviewed before release and before the ***Critical Design Review***.

To assure design outputs have been completed, and serial production can start R&D will perform a ***Design Verification*** and ***Validation***. During validation a detailed and documented product review will be performed, in order to verify that the product conforms to all defined customer requirements.

Related Procedure: QAP 4.0 Control Of Design

9.0 Purchasing

Suppliers of materials, products and services will only be engaged by the company following a formal evaluation of their capability to supply to the standards required. Such standards relate to technical, financial and timescale criteria. The level of evaluation will depend upon the nature of product or service to be supplied, its importance to the company's overall service, and the likely annual spend with the supplier.

It is the responsibility of the VP of Operations to ensure that a formal evaluation of any supplier is undertaken before any order is placed or contract negotiated whit that supplier.

Related Procedure: ***QAP 6.0 Purchasing***

10.Testing and Inspection

10.1 General

Specifications, Work Instructions, Testing and Inspection instructions are the basis for the Quality Control inspections. Quality Control starts at material and component level upon receipt and is maintained through the process to the end item.

10.2 Incoming Inspection

All supplies are subject to applicable Incoming Testing and Inspection before entering the stores. Unless otherwise required by the customer, the acceptance testing of components and raw materials will be performed according to MIL-STD-105E Level II 2.5 % AQL.

10.3 In-Process Inspection

Inspection and tests in production process are carried out at various workstations according to the relevant production specifications. Production specifications include definition of defects and frequency of testing.

Related Procedure: ***QAP 7.0 Production and Storage***

11.0 Detecting and Handling of Nonconforming Material

Items that are found to be unfit for use, either in production or service will be identified and reported to the appropriate level of supervision for decision concerning further use or disposition. All employees on discovering nonconformity are responsible for identifying such items and segregating and bringing them to the attention of the appropriate manager or supervisor.

A periodic analysis of nonconforming products will be produced and supplied to the VP of Operations.

Related Procedure: ***QAP 3.0 Handling Discrepancies, Corrective and Preventive Action***

12.0 Customer Complaints

All customer complaints received by company employees verbally or in writing, will be investigated and where considered valid result in a suitable response to the customer. The underlying reason for the complaint will be determined and suitable corrective action taken in relation to company processes. An acknowledgment letter of receipt and confirmation shall be sent to customer whiten 24 hours. All complaints will be investigated to reveal the root cause of the complaint. Periodic review of customer complaints database will be analyzed by the VP of Operations and presented at the Management Review Meetings.

Related Procedure: ***QAP 2.0 Customer Related Processes***

13.0 Document and Data Control

All documentation or data defining and communicating the Quality Management System shall be subject to control procedures to ensure review and approval for adequacy prior to issue or amendment, effective periodic review, issue and amendment control, distribution and disposition of obsolete documents.

Documentation department shall be responsible for the generation, review and maintenance of all documentation and data.

Computer software may only be installed on any company computer system with the approval of the VP Operations, who shall ensure full compliance with license requirements/agreements at all times.

Data held in software media shall be subject to backup procedures as defined in the relevant procedures in order to assure at all times that the company's ability to operate fully in accordance with its management system is not impaired by the malfunction of a computer system or its associated installed software.

Related Procedure: QAP 5.0 Documentation

14.0 Handling and Storage of Materials

All items used in relation to production and service delivery will be handled and stored in accordance with manufacturer's instructions and in a manner, which will prevent damage or degradation. Access to stores area will be restricted to nominated individuals only. Full identification and stock rotation disciplines will be applied.

Related Procedure: QAP 7.0 Production and Storage

15.0 Training

All employees shall be appropriately qualified to enable them to undertake the tasks expected of them. Management shall provide the opportunity to develop employee's skills and abilities in support of company operations and their desire for self-improvement.

The VP Operations shall act in the capacity of Training Manager on behalf of the Management and shall coordinate all training activities.

Related Procedure: QAP 9.0 Internal Auditing and Training

16.0 Continuous Improvement

Continuous process improvement will be undertaken throughout all Tabor Electronics operations. In particular, analysis of customer complaints and reports of product or service nonconformity will be used to initiate improvement activities.

Related Procedure: QAP 3.0 Handling Discrepancies, Corrective and Preventive Action

17.0 Management System Audits

All areas of operation shall e subject to periodic audit to verify conformance with company management system and process documentation requirements, together with acceptability of required process output (s). Qualified auditors under the responsibility of the VP of Operations shall carry out audits.

Related Procedure: QAP 9.0 Internal Auditing and Training

18.0 Management Review

The Management System shall be periodically and systematically reviewed by Management to ensure its continued suitability and effectiveness.

The CEO, in conjunction with the VP of Operation shall review the Management System on an annual basis to assess its continued relevance to the company's operations and compatibility with Company, National, International or Market sector requirements.

They shall advise of any changes that may be necessary to maintain the company's status within its sphere of operations.

The review shall take due account of the results of ***Annual System Audits*** and other audits undertaken in the company. This review will aim to correct any inadequacies found in the operating systems and make any improvements deemed necessary to improve the overall effectiveness of company operations. The VP of Operations will chair the meeting and record the minutes.

The VP of Operations will issue a formal agenda for the meeting at least one week in advance of the meeting. Data inputs to be provided will be distributed to those responsible for providing the inputs at least one week in advance of the meeting.

Related Procedure: ***QAP 1.0 Management Responsibility***