

Quality Management System

Content

1. General
2. Company Profile
3. Organizational Structure
4. Responsibility and authority
5. Quality Policy
6. Quality Management System - General Requirements and Omissions
7. Main Processes Defined in Quality Policy
8. Processes and Interactions in the Quality Management System.

1. General

Karmor Technologies strives for excellence in its products and services and meets the Quality Management Systems standards: ISO9001: 2008, aviation standard AS9100C: 2009.

2. Purpose

2.1 Defining the Company's organizational system.

2.1 Defining the Quality System, as well as its function, tasks and goals in the Company.

2.3 Defining quality processes performed in the Company, production and assembly of high quality products.

3. Applicable Documents

3.1 AS9100C

3.2 ISO9001: 2008

3.3 Quality requirements from Level B Procurement and Production Suppliers.

3.4 Company Procedures.

4. Responsibility

3.1 The responsibility to realize this procedure applies to the Company's management, quality assurance manager and employees.

5. Method

5.1 See below

2. Company Profile

Company name: Karmor Technologies Ltd.

Address: 6 HaLahav, Holon,

Established in: 1993

CEO: Uri Zar

Number of employees: 20

Phone: 03-5598989

Fax: 03-5568228

Customers: Defense Industries - Aviation Industries, Rafael, Ministry of Defense, plants and others.
Recognized as a "Certified Supplier" by the mentioned above.

Company's defined area of occupation: Manufacturing and servicing parts manufactured by precision machining, using computer controlled milling, conventional milling, conventional engraving and manufacture of facilities, 5-axes machine, erosion and wire cutting. Precision machining for the aviation, optics, electronics, medicine, consumerism and high-tech industries.

Quality Management System is applied by AS9100C:2009, ISO9001:2008 and Procurement and Production Administration.

Outsourcing: The Company uses outsourced for services of: computer and information systems, coating processes, maintenance procedures of quality management system and internal audits, list of suppliers and outsourced suppliers is managed and controlled, including the authority.

Legislative requirements applicable to the Company's activities:

The Company abides by the laws, regulations and national and international rules of its areas of activity, and by standards and regulations determined by its customers under contract review.

Israel Standard - 5331 ISO9001: 2008, Quality Management System - Requirements as to April 1335

Israel Standard - 5133 SAE AS9100C: 2009, Quality Management Systems - Requirements for the aviation, aerospace and security industries.

Quality requirements for suppliers of the Ministry of Defense, 6th Edition, August 2010

Requirements of the Ministry of Environmental Protection, health and safety at work.

Collection and Disposal of Waste for recycling.

Company's manufacturing processes and servicing mainly consist of:

Precision machining of components using:

CNC (Computer Numerical Control) Machines.

Manufacturing precision machining products, combining technologies such as erosion

Engineering and technical consulting to enterprises and companies to provide solutions for complex products as part of the contract review.

Manufacturing facilities for defense industries.

Recording product test results.

Packaging products before delivery to the customer.

Preparing invoices and collection.

Main products and technologies:

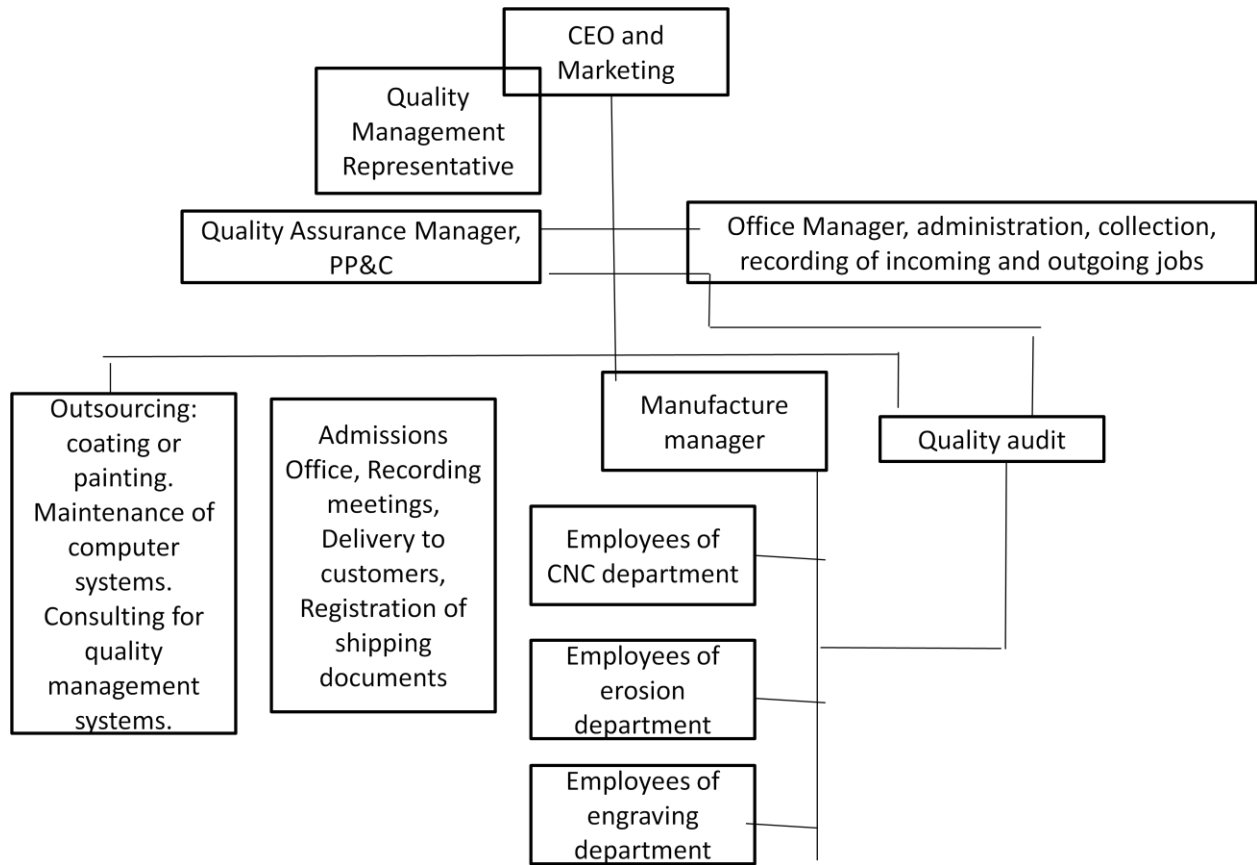
Manufacturing components, security and aviation equipment and facilities, and civilian equipment using CNC milling technology.

Manufacturing components, security and aviation equipment and facilities, and civilian equipment using conventional milling and engraving technology.

Manufacturing components for the defense industry.

Supporting customer's product development process and providing engineering assistance to fit the proper product and technologies, selecting raw materials and more.

3. Organizational Structure



4. Responsibility and authority

3.1 Details on bearing responsibility and authority can be found in the Quality System Procedures.

3.1 Quality Management Representative is the Company's CEO, who serves as a senior management member, and is qualified to the following activities:

3.1.1 Ensuring the preparation, implementation, compliance and maintenance of the Quality System.

3.1.1 Ensuring that the processes required for the quality management system are established, realized and maintained.

3.1.2 Reporting to senior management on the performance of the quality management system and any need for improvement.

3.1.3 Ensuring the promotion of awareness of customer requirements at the factory.

3.1.1 Being responsible to disqualify suppliers who do not meet quality requirements and is authorized to approve suppliers who meet these requirements.

5. Quality Policy

1. The declared policy of **Karmor Technologies Ltd.**, which is engaged in the field of precision machining for the aviation, optics, electronics, medicine, consumerism and high-tech industry, is to achieve and maintain the image and reputation for product quality and service quality as expected from a leading organization in this field, among actual and potential customers. For that purpose, the Quality Management System And has been established and implemented according to: AS9100C: 2009, ISO 9001: 2008.
2. The Company's policy is determined and led by senior management, and is designed mainly to focus on product quality, customer needs and complete satisfaction, while maintaining profitability and financial stability and in accordance with business and enterprise destinations, with the involvement and awareness of all employees in the Company, processes and resource management, measurement, monitoring and data analysis, to maintain a constant process of continually improving quality while reducing non-quality costs, as well as developing relationships with suppliers based on mutual benefit.
3. The company will manufacture and supply its customers with products and services that fully match their desires, demands and expectations while achieving high satisfaction (which will be measured periodically).
4. The company is committed to meet all contractual requirements with the client, as well as laws, regulations and standards applicable to the Company's activities.
5. Senior management, managers and employees are committed to take all possible means to ensure constant improvement field in realizing products and processes, as well as ensuring the continuous and ongoing improvement of the product, manufacture processes and customer service.
6. Implementing the policy will require the senior management to allocate the necessary resources, including training employees and subcontractors, as well as determine quantitative and measurable quality goals, such as effectiveness and maximum efficiency in processes, providing products in the required quality, timely order fulfillment and customer satisfaction with the process, while striving for zero defects in the work process. The senior management will also be required to perform surveys and internal audit in the organization and with subcontractors in order to examine the extent of implementation of the Quality Management System and to determine the compliance of the Company's goals and objectives and the degree of improvement. Additionally, the senior management will implement corrective and preventive actions for continuous improvement in these areas.
7. The Quality Management System will link between product quality and working environment, work relations and employees, communications within the Company and with subcontractors, work safety and environmental protection.
5. The Company will review the policy from time to time according to its changing strategic and business objectives and needs.

6. Quality Management System - General Requirements and Omissions

Karmor Technologies Ltd. maintains a Quality Management System in accordance with the procedures set forth in this file, which is adapted to the Israeli Standard - ISO 9001: 2008, and to the Quality Management System requirements for aerospace and defense companies, Israeli Standard - AS9100C: 2009.

The Company conducts, documents, implements, maintains and continuously improves its Quality Management System, in order to meet: the Company's objectives and policy, relevant standards, customer's requirements and statutory and regulatory requirements applicable for the Quality Management System.

Excellence, reputation and customer satisfaction are the target of these activities. Customer's requirements are cornerstones in the Company, which strives to respond to customer requirements and preserve them as a solid basis of the Company.

Processes needed for that quality task identify and determine the criteria for the methods of operation and control, ensure process efficiency, as well as the availability of resources in the Company information flow for supporting and monitoring processes. The Company monitors, measures, analyzes, improves and streamlines its processes, depending on changing circumstances and requirement.

As part of quality management, the Company conducts, among others: control of manufacture instructions and compliance with Customer specifications/requirements; ensures compliance manufacture instructions delivered to the manufacture department and explicitly instructs the operations.

The Company performs close examination and documentation for special projects in collaboration with relevant parties; reviews orders delivered to subcontractors and outsourcing, while defining specific quality requirements according to need and interest.

The Company monitors and/or reviews acceptance of raw materials and ordered, audits workflows, performs final reviews of finished products before delivery to the customer and at the time of delivery, including FAI, reviews measuring tools and other supportive means for accurate measuring, while performing periodical calibration and/or maintenance, both in the organization and with subcontractors, on demand. Alerts for deviations/exceptions/discrepancies in order to prevent delivery of defective products from the plant to the customer.

The Company collects data on exclusions and deviations, process failure, failure of means of manufacture, analyzes data and draws conclusions; optimizes, improves and recommends courses of corrective actions, in cooperation with the plant team.

The following issues are not applicable to the Company's activities and are therefore excluded from the Quality Management System.

- Section 7.2 - design and development. -

- Section 7.1.1 - Validation of manufacturing processes and servicing.

Reasons for the omissions:

- The Company does not perform design and development, but is focused on compliance with requirements of specifications and customer's drawings - BTS and - BTP.
- The validation of manufacturing processes and servicing (7.5.2): The Company has not defined special processes, where the output processes can be checked at any stage including after delivery.

7. Main Processes Defined in Quality Policy

7. Main processes in the Company are defined in the quality procedures that describe the processes and their interconnections, as follows:

7.1 The main processes performed in the plant:

7.1.1 Receiving quotation requests, delivering quotations and receiving orders.

7.1.2 Manufacturing and servicing (delivering manufacturing file to Department of Manufacturing Technology, preparing CADM plan, performing set-up, first item manufacture, serial manufacturing, packaging and shipping).

7.1.3 Testing and examination of products, while documenting results.

7.1.4 Addressing manufacturing infrastructure.

7.2 Supportive Processes:

7.2.1 Procurement, procured product verification / examination of acceptance, control of suppliers and subcontractors.

7.2.2 Treating exceptions.

7.2.3 Employee certification and training.

7.2.4 Maintenance.

7.3 Complementary processes and processes related to the quality system

7.3.1 Documentation and documentation control, documents and records.

7.3.2 Thermal and/or coating and/or painting treatments.

7.3.3 Performing management reviews.

7.3.4 Measuring equipment reviews.

7.3.5 Internal audits.

7.3.6 Communication with customers, customer surveys.

7.3.7 Corrective actions.

7.3.8 Preventive actions.

7.4 Special Processes:

7.3.1 Precision machining for the aviation, optics, electronics, medicine, consumerism and high-tech industries.

7.4.2 Milling machining equipment - 5-axis CNC machine centers, 5-axis CNC engraving machine and erosion – wire-cutting and machines.

7.4.3 Measurement equipment – including 5-axis measuring machine and a comparator.