May 30, 2005

# Summary of the procedures and conditions for the granting of a license to mark commodities with the Standards Mark

Anyone producing a commodity, for which a Standard applies, is entitled to mark it with the Standards Mark (1) if he was granted an appropriate license from the Standards Institution of Israel, (SII). A licensee marking his product with the Standards Mark endorses that the product conforms to the requirements of the Israeli Standard.

1. Anyone interested in being granted a license to mark a commodity with the Standards Mark should submit his request, in duplicate, to SII-Quality and Certification Division. To the request should be attached:

a. Drawings and/or pictures and/or any other material which describes reliably the product for which the request is submitted.

b. The completed “Questionnaire for Initial Recognition of Supplier”.

 The information supplied in this questionnaire will be confidential and will not be passed on to a third party unless the Manufacturer consents.

2. Based on the questionnaire, SII will draw up a program for preliminary tests and clarifications, outlining the actions which have to be taken by SII so that the requested license may be granted. It will also include a calculation for the price which the Manufacturer should pay for the actions to be taken. After the Manufacturer has accepted the program for the preliminary tests and clarifications, a suitable invoice will be issued.

3. During the time of the preliminary tests and clarifications, SII will carry out the activities detailed in the program which essentially are:

3.1 Tests of the product to verify its conformity to the Standard.

3.2 Audit of the Manufacturer’s plant. The purpose of this visit is:

3.2.1 To get to know directly the production process.

3.2.2 To asses the general conditions under which the production is carried out, including sanitation and cleanliness.

3.2.3 To inspect the Quality System at the plant according to the requirements of Procedure SII-005 (attached).

3.2.4 To ascertain that all the activities are actually carried out and to see whether all procedures are applied.

(1) Everything in this statement referring to Standards Mark, holds also true – with appropriate changes – for SII Specifications.

3.2.5 Follow-up of the capabilities of the plant to maintain a constant quality level of its product, including verification of the calibration of the measuring and inspection equipment.

3.2.6 To get acquainted with the senior staff at plant and to discuss with them subjects concerning the granting of the license.

3.2.7 If required, to take samples of the product for testing in SII’s laboratories.

3.3 Inspection of the Product File which will be submitted by the Manufacturer (for the Product File requirements see procedure SII – 005 clauses 3.3).

4. At the conclusion of the preliminary tests and clarifications, SII will submit to the appropriate Professional Committee, a report of its activities and its findings.

 The Professional Committee’s recommendations are submitted to the Licensing Committee for approval.

5. If the Licensing Committee decides to grant the requested license, it will also determine the scope of SII’s current supervision of the production and any additional terms for granting the license.

6. Based on the Licensing Committee decision, SII will sign an Agreement with the Manufacturer, outlining in detail the conditions of the supervision, including financial terms.

 After signing this Agreement, the manufacturer will fulfill his financial obligations. With the issuance of the license, a notice of issuance will be published accordingly, in the list of issued licenses maintained by SII.

7. SII is entitled to cancel the license any time it is found that the product does not conform to the requirements of the Standard or if the Manufacturer has not fulfilled his other commitments in accordance with the conditions of the Agreement he signed with SII.

(2) According to the Standards Mark Regulation, the Technical Committee, after it has examined the report on the activities within framework of the preliminary tests and clarifications, is authorized to recommend to the Licensing Committee the granting of the license. The Licensing Committee is authorized to decide the granting of a license and its calculation.