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Elbit Systems Ltd
Mr. Joseph Kohano
Manager Quality Assurance
P.O. Box 539
31053 Haifa
Israel

19 February, 1998
Q/PK/VST/980219.01

Subject: Sub-contractor qualification YUIST-1 contract (AQAP 110/150 standards)

Dear Mr. Kohano,

As a result of the contract between Alcatel Telecom Nederland ATNL and Elbit Systems Ltd (ESL) (based on the YUIST-1 agreement ATNL/Royal Netherlands Army), ATNL is obliged to recognise ESL as a qualified sub-contractor.

The qualification is based on the previous contract YUIST pilot (AQAP 1/13) and your Quality Assurance Program Plan (QAPP RD 03717E-00). With this plan and the performed audits of ESL it was demonstrated that on top of the ESL ISO 9001 certified Quality system, you are compliant with the required AQAP 110 and AQAP 150 (SW development) standards.

The sub-contractor recognition has been confirmed by our Customer (RNLA) by means of a statement of no objection (reference: 11 February 1998) to the ESL QAPP.

It will be a matter of course, that your QAPP should be in line with the changes in your organisation, procedures and contract changes.

Yours sincerely,



Peter Kosterberg
Manager Quality

Cc: Frits Jellema ATNL
Haim Lechtig ESL