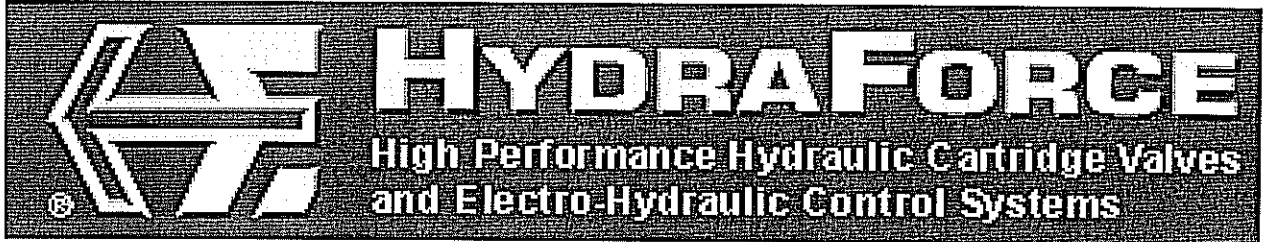


QUALITY & ENVIRONMENTAL POLICY



HydraForce Hydraulics Ltd Design and Manufacture Hydraulic Cartridge Valves and Electro-Hydraulic Control and Manifold Systems

HydraForce endeavours to demonstrate to both customers and employees its dedication to product enhancement, long term reinvestment of profits in personnel and equipment.

HydraForce recognise to achieve our goals we must dedicate ourselves to continuous improvement and the elimination of waste in all aspects of the business.

The Quality & Environmental Policy in conjunction with the company mission statement and components of quality are directed towards continual improvement in developing our products, production processes and service.

The Quality and Environmental Policy ensures legal compliance and focuses on continual improvement in waste minimisation, prevention of pollution and other requirements, to which HydraForce subscribes

The Quality and Environmental Policy will be communicated to all employees, our suppliers and contractors to help improve their Quality and Environmental performance.

Our suppliers, distributors and customers are our partners and we must maintain a mutually beneficial relationship with them and our business associates

To meet these objectives the Quality Environmental System is structured to comply with BS EN ISO 9000:2000 and BS EN ISO 14001:2004

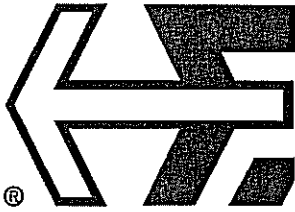
P Macdonald



Manufacturing Director

Review Date	Jan 04	Jan 05	Jan 06	Mar 06	Jan 07	Jan 08	Jan 09	Jan 10	Jan 11
Revision	5	5	5	6					
Approved	PJM	PJM	PJM	PJM					
Review Date	Dec 96	Jan 97	Jan 98	Jan 99	Jun 00	Jun 01	Jun 02	Jul 02	Jan 03
Revision	1	1	1	1	2	2	3	4	5
Approved	PJM	PJM	PJM	PJM	PJM	PJM	PJM	PJM	PJM

Date 01/03/06



COMPANY MISSION STATEMENT

OUR MISSION AT HYDRAFORCE IS TO PROVIDE OUR CUSTOMERS WITH THE HIGHEST QUALITY HYDRAULIC VALVES AND THE MOST RESPONSIVE CUSTOMER SUPPORT IN THE WORLD.

COMPONENTS OF QUALITY

1. **TOP PERFORMANCE:** When compared to other competitive products in the market, the HydraForce product should perform better than other products of similar size and performance ratings. It should be the best performing product of its type available.
2. **FEATURES:** What do we offer, in addition to performance, that makes the HydraForce product more appealing to the distributor or customer? Is the HydraForce product easier to obtain, install, and use than the competitive products? Is it packaged better and marked clearer?
3. **RELIABILITY AND DURABILITY:** Does the HydraForce product offer trouble free performance once it is in the field? How often do our products break down and require service or maintenance? Is the expected life of the product greater than what the competition offers?
4. **CONSISTENCY:** Is the variation in performance, marking, packaging, etc. from product to product and lot to lot minimal? Can the customer count on the HydraForce product being the same each and every time?
5. **CONFORMANCE TO CUSTOMER EXPECTATIONS:** How closely does the product or service received by our customer match what he thought he would or should get? Do we really know and understand what he wants, and can we give it to him?
6. **TIMELINESS AND RESPONSIVENESS:** Is the speed with which our products and services are made available to the customer the absolute best we can do? Does he get what he wants when he wants it?
7. **SERVICEABILITY:** When needed, do we service our products with the speed, courtesy, and competence that eliminates most or all of the problems normally associated with a breakdown?
8. **AESTHETICS:** Does the design, look, and finish of the product project the desired HydraForce image? What is the customer's initial reaction to its visual appearance?
9. **PERCEIVED ATTITUDE TOWARD THE CUSTOMER:** Do our customers really believe that we are dedicated to providing the highest quality product in the world, and are serious about giving them the absolute best service in the industry?

The "Company Mission Statement" and the "Components of Quality" shall be used as guidelines by all managers and other employees when making any decision that affects the quality of the products or services we provide. Total customer satisfaction, continuous process improvement, defect prevention, and variation and waste reduction shall be the operational strategies for all departments of the company.

Date 01/03/06