

Hill & Smith Holdings PLC ("Hill & Smith" or "the Company")

Supply Chain Policy ("the Policy")

Policy Statement

This Policy on the management of human rights, working conditions and the environment in the supply chain is one of a series of governance policies that are intended to underpin the Company's values.

The Company sources components, materials and services for its manufacturing processes from a number of countries. We appreciate that there are local and national differences in standards in relation to many aspects of the manufacturing and wider business environment. However, we also recognise that there are a number of minimum standards that must be achieved by all.

Policy Objectives

It is our Policy that the Company will only trade with suppliers:

1. that meet or exceed these minimum standards; or
2. can demonstrate progression towards these standards over an agreed and suitable timescale.

The Company's Expectations of its Suppliers

Each Hill & Smith entity must have appropriate systems in place to ensure that suppliers comply with or exceed the following requirements:

1. Compliance with all appropriate legislative requirements.
2. Provision of a safe and competent workforce employed in accordance with industry best practice.
3. Timely submission of tenders and delivery to the agreed specification, on time and at the agreed price.
4. Cooperation with Hill & Smith and the rest of its supply chain.

Adoption and Implementation of Policy

This Policy has been adopted by the Board of Hill & Smith Holdings PLC and is available on the Company's website www.hsholdings.co.uk.

The Policy will be progressively implemented in all major manufacturing subsidiaries. The boards of each subsidiary company are responsible for the detailed oversight of the operation of the Policy within their business and reports to the board of directors of Hill & Smith (the "Board") as and when appropriate matters arise and with an annual review.

Approved by the Board of Directors of the Company on 1st February 2007