CODE OF CONDUCT
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A MESSAGE FROM
JOHN F. MALLOY

For more than 90 years, Victaulic has been and continues to be committed to conducting business lawfully and ethically in all countries and places in which we operate. Integrity is the foundation upon which Victaulic was built and is one of our most important assets. It is a major reason for our successful history and a requirement for a successful future. One lapse in judgment by any one of us can have enormous consequences for the entire company.

As a condition of employment, employees have an obligation to act fairly and honestly. Every employee must make a personal commitment to follow the Victaulic Code of Conduct. This Code will guide us in upholding our ethical commitment. It is not enough to just comply with the letter of the Code, one must embrace its spirit. Please familiarize yourself with the Victaulic Code of Conduct.

Victaulic is committed to having an effective compliance and ethics program with global reach. All employees will be required to acknowledge that they have read, understood and complied with the Code via an electronic certification. The certification process will be repeated annually during which employees are expected to disclose potential conflicts of interest. Additionally, all employees are required to participate in periodic electronic training programs on specific areas of the Code. Compliance officers will be designated in each geographic region to track certification and compliance training progress.

Your role begins but does not end with understanding the Code. I ask each of you to stay vigilant and ask questions if you have concerns about any business practices, transactions or conduct observed at Victaulic. If you see something that bothers you, that makes you uncomfortable or that you do not understand then you have an obligation to raise the issue. Speak with your supervisor, Human Resources department, compliance officer, Internal Audit team or any member of executive management. If you feel more comfortable remaining anonymous, contact the toll-free Awareness Line at 1.866.842.2927 or log on to www.victaulic.com/awarenessline. There is no excuse for standing by and allowing our company’s reputation to be compromised.

Conducting business lawfully and ethically and having our employees act in a fair and honest manner, are core to our organization’s values and behaviors. At no time should you compromise your integrity or obligation to do the right thing. There is nothing – closing a big sale, making our numbers or “doing what the boss orders you to do” – that justifies violating the Code.

Victaulic’s reputation for integrity is rooted in the efforts and ethical conduct of each employee. I sincerely appreciate your contributions and commitment to our reputation.

Chairman, President & CEO

John F. Malloy
Always obey the laws and regulations that govern your business activities.

Demonstrate ethical conduct in everything you do.

Treat employees fairly and use employment practices based on equal opportunity for all employees. We are committed to providing safe and healthy working conditions and an atmosphere of open communications.

Deal fairly with suppliers, vendors and customers by treating them with respect and dignity.

Safeguard Victaulic assets – both physical and intangible – and make sure they are used to further the interests of Victaulic.

When communicating with others, both inside and outside Victaulic, use good judgment and consider how your actions reflect on Victaulic.

Do the right thing

No one can tell you what is right or wrong in every situation.

If you are in doubt, ask yourself:

- Is this legal? Do I really know it is legal or should I ask my supervisor or the Legal department?
- Does it conflict with core Victaulic values?
- Am I involving all of the right people?
- How would I feel if I had to tell my family about my situation?
- If I act, will it be fair?
- How would I feel reading about my choice in a newspaper or explaining it in a court of law?

And remember…

- If you know it is wrong, don’t do it.
- If in doubt, ask.
- Keep asking until you get an answer.
- Do not ignore what you believe may be or is illegal or unethical conduct, report it.
About the Code

To whom does the code apply?

All directors, officers and employees of Victaulic, its affiliates and subsidiaries worldwide must adhere to the Code. Entities in which Victaulic owns more than 50% of the voting rights or has effective management control of the entity, are required to adopt and follow this Code.

Victaulic employees working with third parties, such as consultants, agents, sales representatives, distributors and independent contractors, must:

• Require parties to agree to comply with relevant aspects of the Code
• Provide parties with education and information about the compliance policy requirement
• Take action up to and including terminating a contract, after learning that a third party failed to abide by Victaulic compliance policies

Responsibilities

Company responsibilities

• Conduct business around the world in an ethical and lawful manner.
• Provide all employees with clear guidelines on business conduct.
• Implement the Code.
• Ensure thorough communication and training so all employees are aware of and understand the Code.
• Enforce the Code using appropriate incentives and disciplinary action.
• Implement early detection and reporting systems for any suspected criminal conduct or serious offenses.
• Assure that there will be no retaliation for reporting alleged violations of the Code.
• Require all employees to comply with the Code.
• Modify the Code as necessary.

Supervisor responsibilities

• Set an example by conducting themselves and managing their departments in accordance with the Code.
• Periodically review the Code with employees.
• Direct any inquiries concerning the Code to a Regional Compliance Officer or the Legal department and ensure concerns have been addressed.
• Enforce the requirements of the Code.
• Maintain a work environment that encourages open communication, free from fear of reprisal concerning compliance with the Code.
Employee responsibilities

- Understand the laws and regulations that apply to your job and follow them.
- Read, understand and follow the Code.
- Seek guidance from your supervisor, Regional Compliance Officer, or Legal department regarding the proper way to act on behalf of Victaulic.
- Participate in compliance training.
- Promptly report suspected violations of the law or Code to your supervisor, Regional Compliance Officer, Legal department or Victaulic’s awareness line.
- If a concern you raise is not resolved, pursue the issue and elevate it through another channel.
- Cooperate in investigations related to the Code.

Annual electronic Code of Conduct certification

Each year employees are required to acknowledge that they have read, understood, and complied with the Code, as well as recognize their continued obligations, which includes the obligation to report violations or suspected violations by completing an annual electronic certification. Employees are required to understand their obligations under the Code and acknowledge they have complied with its requirements. As part of this certification process, employees have the opportunity to request training or clarification or disclose a potential situation. Employees should include any activity that might in any way be deemed to constitute such a conflict and doubts should be resolved in the favor of disclosure so that an informed judgment can be made.

Getting help and reporting a suspected problem

Employees should always try to resolve or remedy the situation in a manner consistent with the Code. If possible, discuss your question or concern directly with the person involved, then contact your supervisor. If you believe your supervisor’s response is not adequate contact one of the following alternatives:

- Your supervisor
- Your Human Resource supervisor
- Joe Savage, Chief Compliance Officer, +1 610 559 3494
- Mark Van De Voorde, Chief Legal and Administrative Officer, +1 610 923 3190
- Your Regional Compliance Officer:
  - Asia Pacific: Gordon Lu, Gordon.Lu@victaulic.com, +86 21 6170 1222 x333
  - Canada: Eric Van den Berghe, Eric.VandenBerghe@victaulic.com, +1 905 780 5584
  - Europe, Middle East, Africa & India: Karen Dumery, Karen.Dumery@victaulic.com, +329 3818889
  - U.S.: Robert Thompson, Robert.Thompson@victaulic.com, +1 610 923 3059
  - Mexico, Caribbean, South America: Pedro Garcia Estrello, Pedro.Garcia@victaulic.com, +52 614 429 1702
- The Victaulic Awareness Line (victaulic.com/awarenessline) is a multi-lingual, toll-free service available 24 hours a day, seven days a week. Like most companies, Victaulic uses a third party to answer calls and transcribe reported information. Toll-free numbers and web reporting options are available on the Victaulic website under the ‘Our Company’ tab.
Victaulic complies with all federal, state, and local laws and regulations that apply to its operations, including those concerning health, safety and environment anywhere in the world. Employees will make every reasonable effort to ensure that Victaulic products and places of business are safe for the public and its employees. A healthy and safe workplace and environment is not just the responsibility of the Company or management, it also demands the attention of every employee.

**Global standards and local policies**

Safety regulations vary in different countries and states. Victaulic has set global standards for promoting safety, which in turn, are used to create local safety policies and procedures that are consistent with both local regulations and the Company’s global approach. Victaulic has detailed safety policies at every location, which vary depending on the job requirements and local regulations. It is each employee’s responsibility to know and follow local safety policies.

**Drugs and alcohol in the workplace**

Many employees work where the use or possession of alcohol or drugs, or reporting to the job under the influence of alcohol or drugs, would compromise their own and other employees’ safety. For example, if an employee in a manufacturing facility is operating heavy machinery while on narcotic pain killers, even if the drugs are legally prescribed, this could interfere with his ability to use the machinery safely. Victaulic has specific policies that outline rules on the use of drugs and alcohol in the workplace.

Use of illegal drugs is not permitted at any Victaulic facility or project site at any time. Alcohol may only be served at company functions, such as a company picnic or holiday party, in accordance with your local office practices, and only after obtaining necessary authorizations. Additionally, alcohol may be served as part of a routine business custom, such as a business dinner at a restaurant with Victaulic supervisors and clients.

**Q&A**

Q: My team has been consistently achieving their safety goals, but it has been getting more difficult to reach these goals as we continue to improve our safety posture. A member of my team suggested a monetary incentive to help the team stay motivated to reach these goals and to continuously improve. Can I use incentives to help reach goals?

A: Incentives can unduly tempt employees to hide workplace injuries and not report them. Not reporting workplace incidents is a serious violation of Victaulic standards and grounds for disciplinary action. Not reporting injuries means we cannot eliminate a potential workplace hazard or share with other Victaulic activities in the hopes of preventing similar type of injuries from occurring. We want employees to feel safe when at work and reporting all workplace incidents is the surest way of eliminating or mitigating workplace hazards.

**Report:**

- All workplace injuries
- Any risk to safety, security or health
- Any concerns about drugs and alcohol in the workplace

Victaulic Awareness Line
Refer to the ‘Our Company’ section of Victaulic.com for specific contact information.
Q&A

Q: On a maintenance project I manage, we came across asbestos that needs to be removed, but I worry that our schedule and budget will be harmed if we wait for our maintenance or EH&S department to hire a certified contractor to perform the work. It would be more efficient for us if we had a Victaulic worker remove the asbestos using proper safety equipment. Is this acceptable?

A: No. You clearly should not remove a hazardous substance even if it has a negative impact on the budget or timing of a project. Because of legal risks and costs related to handling environmental contaminants, Victaulic has made a strategic decision to hire a certified contractor to handle work like this.

Examples of health and safety violations:

Jim, a maintenance electrician, was working on electrical or powered equipment without following lock-out, tag-out safety procedures.

Evelyn, a machine operator, decided it was easier to get her job done by disabling the safety controls and removed protective guarding on the machining center she was operating.

Peter decided to not use his protective hood in the finishing operation because it was too hot that day in the factory, thereby exposing himself to potential eye injuries.

Victaulic Awareness Line
Refer to the ‘Our Company’ section of Victaulic.com for specific contact information.

Violence in the Workplace

Victaulic is committed to providing and maintaining a safe and healthy workplace for all our employees, customers and visitors compliant with legislative requirements. Our responsibility extends to ensuring that employees, customers and visitors are not placed at risk of violence or harm. Violence, threats of violence, harassment, threatening remarks or gestures, or other disruptive behavior in the workplace are unacceptable at all times.
ANTI-CORRUPTION LAWS

As a U.S. company with international affiliates and subsidiaries, Victaulic is subject to several specific laws governing improper payments:

**Foreign Corrupt Practices Act (FCPA) of 1977** – Prohibits corrupt payments to foreign government officials for obtaining or maintaining business. It requires companies to keep accurate books and records and ensure that adequate accounting and financial controls exist. Furthermore, the actions of a third party acting as an agent, distributor or consultant of Victaulic can expose the Company to liability under FCPA.

**The OECD Convention on Combating Bribery** – The 38 signatory countries have enacted laws to prohibit bribery in international business dealings and mandate accounting changes to detect corrupt activities. Victaulic complies with the highest standards of U.S. and local anti-corruption laws.

**U.S. Travel Act** – provides for federal prosecution of violators of commercial bribery and bribery of public officials. These laws apply to all Victaulic subsidiaries.

**Gifts and Entertainment** – Victaulic supports appropriate gifts and entertainment as a normal course of business. Generally, acceptable gifts and entertainment are:

- Not monetary
- Customary in the trade or industry
- Of nominal value
- Given or accepted without an expressed or implied understanding that the recipient is in any way obligated
- Properly reported and recorded

You should clearly describe any gift and to whom it was provided to and their current relationship to Victaulic when seeking reimbursement on your expense report. If there is any question whether a gift or entertainment is acceptable or appropriate, you should ask your supervisor before you give it and if necessary, contact our Legal department to ensure it does not violate company policy.

**Anti-Corruption laws prohibit the corrupt payment or offer to pay:**

Anything of value

- To a foreign official, political party, party official or candidate
- To influence any act to secure improper advantage
- To obtain, maintain or direct business

These laws prohibit any corrupt payments knowing that funds will go to a foreign official even if routed through an agent or consultant.

Foreign officials include employees of commercial businesses where government control or involvement exists. It also includes any employee of the government, international organization, department agency or anyone acting in an official capacity. This applies to any public offices regardless of rank.

**Q&A**

**Q:** What does “anything of value” mean?

**A:** This includes cash or its equivalent, tangible or intangible property, useful information, promise of future employment, campaign or lobbying payments, college or university scholarships, sports equipment or recreational vehicles, services at inflated prices or payment for sexually explicit entertainment.
IMPROPER PAYMENTS

Victaulic will compete on the basis of the merits of its products and services in the global market place. We will sell our products honestly and will not pursue any sale that requires us to act unlawfully or in violation of this standard.

It is a violation of the Code to give or receive
- Bribes
- Kickbacks
- Favors
- Personal services
- Gifts or entertainment greater than a modest value

We cannot act or appear to be acting improperly in any of our business dealings. Our relationships with suppliers, distributors, direct customers and other parties, including engineering and contracting firms, as well as regulatory and licensing authorities, must be based on lawful, efficient and fair business practices.

It is a violation of the Code if you accept a gift or a favor from a supplier, subcontractor, agent or consultant that benefits you personally as a Victaulic employee or a family member.

In many parts of the world, bribing government officials and business people is both expected and practiced. However, making a gift of anything of value to foreign officials – public or private – is against the law and a threat to fair competition.

Any Victaulic employee paying or facilitating an improper payment or gift will be disciplined up to and including termination. In addition, the employee may be subject to personal liability and possible jail time, as provided under applicable laws.

Examples of an improper payment violation:
A supplier bidding on a new product line offers Rita a fee to provide him with the amount of the lowest bid.

Peter, a sales engineer, discusses how much should be paid to our agent. Our agent plans to use these funds to pay the procurement officer at a state-controlled mining company to convince his management team to purchase Victaulic products.

Q&A

Q: Is it true that we cannot offer to pay for the cost of a visit to Victaulic’s headquarters for the head of a governmental rating agency governing our product?

A: It is entirely appropriate to pay for the transportation, hotel and reasonable meals costs for the employee of a state owned or government rating agency or customer for purposes of educating the individual on our products and services. We should limit ourselves to covering the reasonable cost of traveling to and from Victaulic’s location, hotel and meals during the days traveling to and from Victaulic’s facilities and job sites. We should not to pay for anything beyond this including travel and accommodations for side trips on their return to home. No cash or anything of value should be paid to these officials.

Q: In my country it is common practice to provide “grease” as a way of facilitating payments. Is this in violation of the Code?

A: Yes. “Grease” or facilitating payments for expediting a routine government action on a timely basis is prohibited. Examples of these government actions are permits, licenses and other official documents, processing government papers like a visa, loading or unloading cargo, or scheduling inspections.

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CONFLICT OF INTEREST

Our directors, officers, employees and representatives must be loyal to Victaulic. A conflict of interest exists when your private interests improperly interfere in any way, or even appear to improperly interfere, with the interests of Victaulic.

Conflict of interests don’t end when you leave the office. You must manage all business relationships that you may have with your Victaulic responsibilities in mind. Outside the office, work to avoid any situation that might lead to a conflict – or the appearance of a conflict – between yourself and your work at Victaulic.

Most importantly, if you knowingly have a conflict of interest or believe there is a risk that something might be a conflict of interest, your obligation is to disclose it. You can notify your supervisor, contact Human Resources, Regional Compliance Officer or the Legal department; and disclose it in our annual conflict of interest certification.

Examples of a conflict of interest:

A senior executive is also on the board of directors of a corporation that supplies his company with services. The executive has not made it known to the Company that he is on the other company’s board.

Frank is an employee whose brother operates a vending machine company. He learns that his plant will soon be choosing a new vending service. Frank gives his brother the terms of the best proposal received thus far. He then submits a better proposal on behalf of his company.

Sofia, a supervisor, is responsible for filling an open position in her department. Sofia’s cousin is well qualified and looking for a job. Instead of turning the hiring decision over to her director, Sofia hires her cousin as her direct report.

Q&A

Q: My spouse and I have a side business that is unrelated to my job at Victaulic. Our side business can provide Victaulic with a superior product and lower cost. Can I be a supplier to Victaulic?

A: This situation creates a potential conflict of interest. Sometimes these situations cannot be avoided, but can be possibly managed with full disclosure of potential conflicts. This must be disclosed and approved by your manager/supervisor.

Q: I am thinking about getting a second job. Do I need to tell or get permission from anyone?

A: Victaulic does not prohibit you from getting a second job; however, your primary work obligation is to Victaulic. Any secondary employment must not interfere with your job at Victaulic. You may not use company time, equipment, supplies or computers to perform a secondary job. You must also ensure the secondary job does not cause a conflict of interest with Victaulic. Victaulic employees cannot be simultaneously employed in the selling, marketing or representation of other piping related products.

Victaulic Awareness Line
Refer to the ‘Our Company’ section of Victaulic.com for specific contact information.
CONFLICT OF INTEREST

Typical examples of conflict of interest include:

- Ownership interest or investment (more than 5% of stock in a company) in any product or service supplier, customer, distributor or competitor.
- Consulting or employment relationships with any customer, supplier or competitor.
- Outside business activity (ownership, employment, or supplier/consultant relationship), which competes or could compete with any of the Company’s businesses.
- Any outside activity that may interfere with an associate’s ability to devote appropriate time and attention to company responsibilities.
- Selling or buying transactions with the Company (except any normal program of disposal of corporate property which is offered to employees generally.)
- Service on any board of directors of any customer, supplier, or competitor unless such board service has been disclosed to the Company.
- Supervising, reviewing or having influence on the job evaluation, pay or benefits of any member of your immediate family (includes person’s spouse, parents, grandparents, children, grandchildren, siblings, mother and father-in-law, sons and daughters-in-law, and brothers and sisters-in-law), or close personal friend.
- Obtaining a loan from a customer, supplier or competitor of the Company other than a bank; and if you are an officer of the Company, from any bank with which the Company does business, unless a loan with similar terms is generally available to customers of the bank and is disclosed to the Company’s Chief Compliance Officer.

Q: I am a Victaulic sales manager and my son works for a distributor that competes with Victaulic. Is this a conflict of interest?

A: It creates the potential for, and the appearance of, a conflict and should be disclosed to the Company.

Annual Electronic Certification
Each year employees will be asked to acknowledge that they read, understood and complied with the code, including the obligation to report violations or suspected violations.

The employee should disclose any activity that might be deemed in any way to constitute such a conflict, and doubts should be resolved in favor of disclosure so that an informed judgment can be thereafter made.

Victaulic Awareness Line
Refer to the ‘Our Company’ section of Victaulic.com for specific contact information.
Victaulic succeeds in the marketplace by providing superior products to our customers and by independently competing in the free market system. We believe that quality, price and other objective factors determine competitive success. Laws against unfair competition, also known as antitrust or fair trade laws, are designed to protect the competitive marketplace. Victaulic employees should never act in coordination with a competitor or in a way that restricts fair and open competition.

In the United States and many countries around the globe, these anti-trust and fair trade laws prohibit price fixing, dividing territories, agreeing to contract terms and other similar activities with competitors that negatively impact the consumer and are counter to free market principles. These laws vary depending on where you are doing business in the world. If you have any question that an action might violate fair trade laws, contact your supervisor, Regional Compliance Officer or the Legal department.

If you come into possession of any information about competitors that is marked confidential or proprietary, or it can be construed as anti-competitive, contact your supervisor or the Legal department immediately for advice on what to do.

Rules when dealing with competitors:

- Never discuss price or project/contract terms formally or informally
- Never discuss dividing territories or markets, setting margins or contract terms
- Never discuss production, sales capacity or volume
- Never discuss costs or margins
- Never discuss market shares
- Clearly and openly refuse to participate in any discussions that could be construed to concern anti-competitive practices
- Never attempt to do indirectly what you cannot do directly. Even casually explaining a topic with indirect comments or questions about project/contract terms or pricing is problematic and should be avoided

Examples of improper antitrust behavior:

John, a sales representative, is at a cocktail reception at an industry trade show. A sales rep from a direct competitor approaches John and attempts to engage John in a conversation concerning competitive pricing for an upcoming bid. John does not immediately stop the conversation but rather continues to share information about Victaulic’s pricing and bid strategy. Even if John continues to listen, but does not share Victaulic information, it is a violation.

A new distributor sets up a business in the same market as two existing distributors. The two distributors ask you not to sell to the new competitor in order to “put pressure” on it and also ask you to tell contractors to avoid business with the new entrant. This is an antitrust violation. Never collude or cooperate with others to limit competition or try to control a market.
About International Trade Compliance:

- Victaulic employees are expected to conduct global business operations in a compliant manner, respecting all applicable export, import and trade compliance laws in every country where Victaulic does business.
- International trade laws control the movement of products around the world. It is Victaulic’s policy to comply with all applicable export control laws and regulations.

About export controls:

- Be aware that the export of products to some countries is restricted or prohibited.
- Be aware of complex shipping or financial arrangements when exporting products.
- Ask for advice about any trade sanction or export restriction.

C-TPAT:

- Offers businesses an opportunity to play a major role in the war against terrorism and ensure a more secure supply chain for employees, suppliers and customers.

Failure to comply with export, import, and trade compliance laws could lead to criminal and civil penalties for Victaulic and/or for individual employees, significant business disruptions, and harm to Victaulic’s reputation.

International trade compliance awareness is everyone’s responsibility. If you encounter any situations that may be in violation of trade compliance polices, contact your Regional Compliance Officer, the Legal department or the Global Trade Compliance team at Trade.Compliance@Victaulic.com.

Trade Sanctions

The U.S. government and E.U. both maintain lists of countries and individuals with which companies may not do business because of trade sanctions, embargoes or as specifically-listed denied parties. Victaulic utilizes these lists as well as third-party services to screen all potential customers before shipment. For an up-to-date list of these countries and individuals, contact the Global Trade Compliance or Legal department.

Boycotts

U.S. law prohibits U.S. companies from participating in boycott or restrictive trade practices against countries considered “friendly” to the United States and against companies that are “blacklisted” by other countries or firms. Some companies in the Middle East may seek to include language in contracts that prohibits Victaulic from doing work in Israel. U.S. law will not allow such language to be included or enforced in a contract.

Export Controls

Export regulations impose restrictions on the transfer of certain articles and technology to foreign destinations or persons. Certain Victaulic products and technologies may be subject to export control restrictions.

Deemed Exports

Transfers do not only include physical shipments, but also the release of technical data (e.g. through visual inspection of equipment and facilities, verbal exchanges or application to situations abroad, of personal knowledge or technical experience), the electronic transmission of technical data and software, and hand-carrying technical data, software, samples, parts, and professional equipment.

If you have any questions about whether a sale, shipment or transfer of a product or technology may be restricted, please contact your Regional Compliance Officer or Legal department.

Customs Regulations

Importation of goods into countries are regulated by the Customs offices of those countries. In virtually all countries this includes complex regulations concerning the classification, valuation, country of origin and marking of the imported goods.

C-TPAT: Customs-Trade Partnership Against Terrorism

Victaulic has partnered with the U.S. government in their C-TPAT program. C-TPAT is a joint government-business initiatives designed to build cooperative relationships that strengthen the overall supply chain and border security.
In many countries it is common practice to use agents, consultants, representatives, distributors or other third parties to arrange or broker deals with foreign governments or government entities (i.e. state mining companies) and private entities. These types of relationships have the potential to be problematic. Accordingly, Victaulic has issued a Global Distribution & Agent Agreement Policy. This policy outlines the process for reviewing and approving proposed agency agreements and due diligence requirements.

It also outlines when a written Distributor agreement is required to support our non-exclusive, unilateral distribution strategy. The policy provides guidance on the Distributor appointment processes, sales to direct accounts and other business relationships for compliance with the Company’s policy prohibiting improper payments.

Agents

Before entering into substantive discussion with an agent candidate the country, regional or divisional supervisor and their respective financial professional must notify the Victaulic Chief Financial Officer and the Legal department and obtain approval to proceed. Due diligence requirements will be provided by the Legal department.

Victaulic country, regional or general managers and their respective finance professionals must complete a written report to ensure that the Company is dealing with individuals who comply with the laws prohibiting improper payments, who are reputable and do not have a history of unlawful behavior as well as who have the requisite experience and technical skills. The report will be submitted to the CFO or Legal department and the CEO for approval prior to entering into an agency agreement.

The requirements of Victaulic’s policy, including compliance with the FCPA and OECD convention, must be contractually accepted and complied with by the agent.

Q&A

Q: Is it true that contractual compliance with anti-bribery laws is required for any agent used by Victaulic?

A: Yes. The requirements of the Victaulic policy include compliance with the FCPA, OECD convention and all other applicable anti-bribery laws, and must be contractually accepted and complied with by the agent.

Q: What are the key steps in obtaining approval to add a new distributor to the Victaulic network?

A: See Global Distribution & Agent Agreement Policy. The process includes:

- Credit review/approval
- Contacting Regional Compliance Officer
- Background review
- Compliance certificate

Victaulic Awareness Line

Refer to the ‘Our Company’ section of Victaulic.com for specific contact information.
**USE OF AGENTS, CONSULTANTS OR OTHER THIRD PARTIES**

**Q&A**

**Q:** How do I know if a relationship is one of an independent distributor or an agent?

**A:** The answer is “it depends.”

Key questions to be answered are:

- Do they sell other products besides Victaulic’s?
- Do they sell other products or products for other customers?
- Do they inventory products?
- Do they take title and risk of loss to the product?

If the answer is “No” to any of these questions there is the potential that this is an agency relationship. Contact our Legal department for assistance.

All payments to agents require the approval of the Chief Financial Officer of Victaulic.

Although a third party may be called a consultant or representative, they may in fact be acting as Victaulic’s agents. Any proposed agreements with consultants and representatives must be reviewed by the Legal department.

**Distributors**

Working closely with distributors is an important part of Victaulic’s global business. As part of its compliance and risk management program, Victaulic seeks to verify compliance with anti-corruption and money laundering laws in countries classified as high risk.

When necessary and appropriate, Victaulic will conduct third party investigations on those distributors considered high risk. Investigations will be updated on a periodic basis at the discretion of Victaulic management. All investigations must be reviewed by the Chief Compliance Officer and the Legal department. Victaulic also requires all distributors in high risk countries to certify their ongoing compliance with both the FCPA and the applicable local anti-bribery laws of their country every two years.

Victaulic may require a written distributor agreement to protect Victaulic and its IP, assets, and employees from legal or business risks.

**Third party brand usage**

Occasionally, third parties may request to use Victaulic brands, logos or other trademark/copyrighted material. These requests should be directed to the Marketing or Legal departments.
MONEY LAUNDERING PREVENTION

Persons involved in criminal activity, (e.g., fraud, bribery, terrorism and narcotics), may try to “launder” the money they derive from their crimes to hide or legitimize them. More than 100 countries now have laws against money laundering, that prohibit conducting transactions that involve proceeds of criminal activities. Another scenario of concern is the use of legitimate funds to finance terrorist activity – sometimes called ‘reverse’ money laundering.

Victaulic will comply with all anti-money laundering and anti-terrorism laws throughout the world and will conduct business only with reputable customers engaged in legitimate businesses, with funds derived from legitimate sources. Failure to detect customer relationships and transactions that place Victaulic at risk can severely damage Victaulic’s integrity and reputation.

Be alert to the following activities:

- **Requests to transfer money** to a third party or to the owner or an employee of the actual customer or to an unknown or unrecognized account. Verify the owner of the account prior to any transfer.
- **Payments** that appear to have no connection to the customer or are not evidenced by a valid invoice.
- **A customer, distributor or agent** who is reluctant to provide complete information, provides false or suspicious information, or attempts to avoid reporting or record keeping requirements.
- **Offers** to pay in cash.
- **Orders, purchases or payments** that are unusual or inconsistent with the customer’s business.
- **Unusually complex payment arrangements** that have no real business purpose or unusually favorable payment terms.
- **Transactions involving locations** identified as tax havens or areas of known terrorist activity, narcotics trafficking or money laundering activity.
- **Transactions involving foreign shell or offshore banks** or non-bank financial intermediaries.

Q&A

**Q:** The owner of our foreign distributor offers to bring his account current by paying an invoice twice and requests that a portion of the second payment be returned to his personal account in another country. What should I do with this request?

**A:** This proposal is suspicious and should be reported to your supervisor and the Legal department. Our suppliers and contractors are expected to follow applicable laws that prohibit money laundering and require the registry of cash and other suspicious transactions.

IF YOU ENCOUNTER A WARNING SIGN of suspicious activity raise your concern with the Victaulic Legal department and be sure to resolve your concern promptly before proceeding further with the transaction. Ensure the resolution is well documented.

Victaulic Awareness Line

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Q: I have a long time personal relationship with our supplier of replacement motors. We socialize on the weekend and he often takes my wife and I out for dinner. Am I doing anything wrong?

A: Considering your longterm relationship with this individual, you should be reporting this as a conflict of interest to your supervisor. It would be in everyone’s best interest to re-assign this relationship to another buyer or commodity manager.

Victaulic maintains zero tolerance for bribery and expects our suppliers and contractors to do the same. Bribery is directly or indirectly giving or promising anything of value to improperly influence the actions of a third party. Bribes may include money, gifts, travel expenses, hospitality, vacations, expenses or any direct or indirect benefit of consideration.

Victaulic’s relationships with suppliers, vendors and subcontractors will be based on lawful, competitive and fair trade practices. It is Victaulic policy to purchase all equipment, supplies and services based on merit – the ability to meet our requirements for quality, price and delivery. All suppliers will be treated with integrity, fairness and without discrimination.

We will do business only with suppliers that comply with local laws and maintain compliance with regulatory, safety, traceability, and other applicable legal requirements. Victaulic reserves the right to conduct routine supplier audits to ensure compliance with company standards.

Victaulic associates should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

We will safeguard Victaulic’s confidential and proprietary information with a confidentiality agreement and safeguard any supplier-provided information protected by any confidentiality agreement.

As a global company, Victaulic seeks to negotiate formal contracts for ongoing services or large-scale purchases. The Global Logistics & Sourcing department or Legal department should be utilized as needed.

Background checks – suppliers/contractors/consultants
We should apply the same standards in hiring contractors and consultants as we would with our employees: competent, professional, reputable and honest. Those employees involved with procurement decisions and the hiring of contractors or consultants should also conduct appropriate background checks of the consultants and contractors.

Examples of improper abuse in supplier relationship:
Francine, a buyer, directed business to a supplier owned and managed by her cousin without conducting appropriate background checks and supplier compliance.

Tim selected his new office supplies vendor because they gave him free school supplies for the next several years.

John, a foundry manager, selected a scrap dealer because he provided a 10 percent kick-back for every pound of scrap material processed.

Victaulic Awareness Line
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FAIR EMPLOYMENT PRACTICES

The laws in many countries that promote the fair treatment of workers, especially women and minorities, vary considerably. Because of this, Victaulic has established global standards to ensure that all employees around the world are treated with respect and fairness.

Employment decisions such as hiring, promotion, pay, termination, training opportunities and job assignments are made on the basis of qualifications, experience, competence and performance, and not because of a person’s protected characteristics, which may include:

- Gender
- Pregnancy
- Age
- Color/ Race
- Disability
- Marital status
- National origin
- Religion
- Veteran status
- Other characteristics protected by law (affiliations, associations, beliefs and sexual orientation)

Victaulic is committed to human rights and the elimination of human trafficking and slavery. Victaulic recognizes that slavery and human trafficking can occur in many forms such as forced labor, child labor, domestic servitude, sex trafficking and workplace abuse. As such, Victaulic seeks to promote honest and ethical conduct, deter wrongdoing and support compliance with applicable laws and regulations in our business globally.

Workplace harassment

Employees should work in a safe and professional atmosphere, where merit, competence, and trust are vital, and diversity is valued. We strive to create a work environment that is free from harassment by coworkers, supervisors, providers of goods and services, contractors and clients. Workplace harassment can occur in many forms including verbal, physical or visual. All forms of harassment share a common trait – the behavior may create an intimidating, offensive or demeaning environment.

Examples of potential sexual harassment can include but are not limited to: unwanted advances, inappropriate sexual jokes, sexually suggestive comments, touching, requests for sexual favors and inappropriate comments about appearance.

Q&A

Q: In my department, there are employees of all ages and I am among the older group. I heard two supervisors talking about how they need to promote more “younger” people because they have more energy and drive and because they aren’t going to retire for a long time. I worry that I will get passed over for promotions because of my age. What should I do?

A: You should contact your supervisor or your local Human Resource team so that the Company can conduct a proper investigation to determine if age discrimination has occurred in practice, not just in conversation. Victaulic makes promotion decisions based on a person’s skills, knowledge and ability. The Company will not permit retaliation for reporting problems in good faith.

Sexually explicit entertainment

Sometimes customers, suppliers and even employees have an interest in having business meals and entertainment that involves sexually inappropriate behavior. Regardless of local customs, Victaulic will not condone or fund sexually inappropriate entertainment.
Q: I am friends with a man who works in my department. Sometimes we will share jokes that might be considered offensive in my office but we are careful to shut the door so no one hears. We also forward each other funny jokes via e-mail. Could this be considered harassing behavior even though it is between two friends and not shared with anyone who is offended?

A: While the Company does not attempt to regulate employees’ private behavior, the situation you describe takes place on company property, on company time and on a company e-mail system. This behavior does not fit in our workplace, even in the privacy of your office.

Protecting confidential employee information

For personnel, payroll and certain routine operations, Victaulic maintains and uses private and sensitive personal information about employees (such as home addresses, education, resumes, social security numbers and compensation data) for legitimate business purposes. Victaulic complies with the many data privacy laws around the world that govern the handling of such information. However, we also depend on employees to respect information privacy by only accessing and sharing confidential employee data:

- For legitimate business purposes
- With proper approvals and on a need-to-know basis
- Not repeating or discussing information with anyone who is not approved to know such information
- Not requesting or requiring detailed information about an employee’s health

Background checks – employees

We seek to recruit and hire employees who are not only professional and competent but also reputable and honest. Human Resources routinely conducts pre-employment background checks for new hires, as appropriate.

Examples of unfair treatment violations:

Vivian, a customer service representative, is discharged after she explains that she needs to take a day off because she honors her religious observations.

Raj is a computer analyst who leaves his desk at noon time to pray in a conference room. His co-workers have complained, and Raj’s supervisor has told him to stop.
Every Victaulic location is required to keep accurate books and records. Accurate, timely financial or operational records, as well as robust export controls provide the core information that is necessary to manage our business.

All company payments and other transactions must be properly authorized and accurately recorded in the financial statements that should be prepared in accordance with U.S. general accepted accounting principles and Victaulic accounting policies. Adequate internal controls must exist in all locations to ensure our financial information is complete and accurate.

No undisclosed or unrecorded company funds shall be established for any purpose, nor should company funds be placed in any personal or non-corporate account. All company assets must be properly safeguarded and should be periodically reconciled to financial records.

Company assets and property should not be intentionally damaged, nor taken or removed from company premises without proper authorization. Company assets do include electronic information in any format.

Financial information should not be provided to anyone outside of the Company without the approval of the Chairman/CEO and CFO.

No employee should be pressured to alter financial information or other data “to meet the numbers.”

**Fear of reporting “bad news”**

Delays in reporting bad news only makes problems worse and reduces the chance of solving or lessening the problem. All bad news, financial or otherwise, should travel very fast up the chain of command.

**Holding back profits for future periods**

Holding back reserves, profits or other contingencies to protect profits in the future is unacceptable. Reserves, contingencies and profits should be analyzed and reported using proper generally accepted accounting practices and internal accounting policies.

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**Examples of improper financial records and poor controls:**

Silvia, an accounting clerk, is asked by her supervisor to charge ordinary operating expenses against a special accounting reserve. When she objects stating this will misstate the earnings of the division, she is told this will impact everyone’s annual performance bonus and if she doesn’t “we will get someone who will.”

Fred, a sales director in the Company, instructs his direct reports to purchase costly training equipment and report it on their expense reports. This practice bypasses the approval process for capital items.
INTELLECTUAL PROPERTY
PATENTS, TRADEMARKS, COPYRIGHTS, TRADE SECRETS,
AND CONFIDENTIAL INFORMATION

Victaulic is the world leader in the design, manufacture and distribution of mechanical piping products and has a long-standing commitment to the development of innovative products. Some of the most valuable Victaulic assets are its intellectual property including patents, trademarks, copyrights, trade secrets and confidential information.

Victaulic has an active international program for registering new patents, trademarks and copyrights. Questions or statements pertaining to patents, trademarks and copyrights, including questions or statements related to infringement, should be directed to or made by Victaulic’s Legal department. Consult with the Legal department concerning licensing of all patents, trademarks, trade secrets or confidential information before reviewing new product concepts from outside of Victaulic, before soliciting, accepting or using a third party’s intellectual property and before disclosing Victaulic’s intellectual property to third parties.

Victaulic trade secrets include new products or services under development, product designs and drawings, engineering procedures and instructions, manufacturing processes and formulas, names and addresses of customers, customer lists, pricing, project margins, budgets, as well as research and business strategies. Disclosure of this information can result in Victaulic losing its rights to these trade secrets. Disclosure is prohibited unless controlled by a confidentiality or license agreement approved by Victaulic’s Legal department.

Confidentiality agreements
All employees, consultants and contractors are required to sign a confidentiality agreement prior to the beginning of employment or engagement. If any customer, distributor, vendor or supplier asks you to execute a confidential agreement, please contact the Legal department.

Use of copyright and/or trademark information
Employees should respect copyright or trademark information and images when creating written and/or oral communications, presentations and collateral viewed either internally or externally. It is important to understand and abide by any copyright rules or laws that apply to information, recordings, or photography, or other creative works that are being sourced from an external resource.

Victaulic Awareness Line
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DO NOT:
• Accept confidential information belonging to a third party without first consulting with the Legal department.
• Execute any document relating to confidential information including non-disclosure agreements or similar provisions without prior approval.
• Discuss confidential information with customers, suppliers or competitors.
• Use a third party to develop new products without a written agreement approved by the Legal department.
• Disclose information concerning a new product before a patent application is filed or other safeguards have been considered.
• Create or use a new trademark before it is approved by the Legal, Marketing and Communications departments.
• Employ a new professional person without first securing a non-compete, confidentiality agreement and/or non-solicitation agreement as appropriate for your jurisdiction.
Protecting company assets against loss, theft and misuse is the responsibility of every employee. Victaulic assets consist of both tangible and intangible assets.

**Tangible assets**
- Facilities
- Equipment
- Money
- Information Systems

**Intangible assets**
- Intellectual property
- Invention disclosure
- Manufacturing know-how
- Trade secrets
- Computer programs

These assets must be used properly and as authorized by management. Any suspected theft, fraud or inappropriate use of the Company’s assets should be reported to an employee’s supervisor or your Regional Compliance Officer.

Assets should not be used for personal gain. However, we trust our employees with reasonable and permissible activities such as calling home to check on a sick child, emailing a spouse to stop at the bank on the way home or printing a simple grocery list on a company printer. These are reasonable and permissible because they are done within limits and work goals can still be accomplished.

It becomes a problem when employees abuse company assets for their personal use or gain. Taken too far, it can even be considered theft or fraud.

Use good judgment and ask your supervisor if you are not sure.

**Examples of improper use of company assets:**

Ron, a manufacturing manager, is on the board of a local charity that is conducting a fundraising drive. He asks his administrative assistant to organize the event and to solicit companies in the area to make contributions to support the organization.

Sally prints 500 color copies of a five page brochure to help her husband promote his home business.

**Computers and data security**

Only Victaulic employees can access company systems. Third parties can access systems only if Victaulic IT has provided approval.

Company supplied computers, telephones and mobile devices are the property of Victaulic. All e-mail, voicemail and files stored on Victaulic systems may be subject to review.

There should be limited expectations of personal privacy in connection with information stored on company computers and systems.

The Company reserves the right and where permitted by law will monitor and review all information sent or received using company resources.

Use of company computers, networks, e-mail or Internet resources to access, view, transmit archive or distribute racist, sexist, threatening or otherwise objectionable or illegal material is strictly prohibited.

Using company resources to violate laws or regulations of any nation is prohibited.

Employees should be vigilant in safeguarding systems and confidential information. Improper disclosure, corruption or loss of data can be costly to Victaulic.

All suspected security incidents should be reported immediately to an employee’s supervisor or the Information Security team.
Lobbying and political activity are an important part of the democratic (political) process, but strict rules govern what corporations may and may not do in this arena. Victaulic is active in establishing good relationships with elected officials to enhance the Company’s business environment. However, in nearly all the countries in which Victaulic operates, there are stringent legal restrictions on what a company can contribute, offer, promise or give to an elected official and their staff.

Employees may not give, offer or authorize to offer company funds or other company assets (directly or indirectly) for political purposes without consulting the Legal department which will seek approval of the chairman and CEO.

A political contribution could be construed as a bribe if it is done, directly or indirectly, in exchange for an action by the government official. This can be direct, such as recommending Victaulic’s selection on a procurement decision or other similar acts, or indirect, such as promising to include Victaulic in the list of approved – or even possible – vendors for a current or future project.

**Personal political activity**

Victaulic encourages political activity by employees in support of candidates or parties of their choice. However, you cannot use company time, property or equipment for your own political activities. Personal participation in political activities is an employee’s choice and must be totally voluntary.

**Q&A**

**Q:** I accepted an invitation to attend a fundraiser for my hometown congressman. I cannot attend but want to send in a check. May my assistant overnight a personal check to the campaign?

**A:** Yes, provided that the cost of the overnight postage is reimbursed to the Company.

**Political contributions may include any of the following:**

- Contributing to a local, state or federal political candidate on behalf of the Company.
- Purchasing tickets for a political fund raising event with company funds.
- Providing anything of value including meals, goods, services, travel accommodations or tickets for sporting and entertaining events.
- Loaning personnel or other corporate resources during working hours for political fund raising activities.
- Paying for political advertisements or other campaign expenses.

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EXTERNAL COMMUNICATIONS

News & trade media
All communications with and requests from news or trade media should be directed to the Corporate Communications department. Media requests might include desired insight into following subjects:

• Workforce contract negotiations, management changes
• Mergers, acquisitions or significant business events
• New products, policies, processes or business strategies

Social media
The use of social and business networking sites by Victaulic employees is becoming more commonplace as these tools become a major method of business and personal communication, networking, and research. Engagement in social media is acceptable when adhering to the following guidelines:

• Employees should not use these forums to reference proprietary business information.
• Victaulic employees are personally responsible for the content they publish on these forms of social media.
• If you identify yourself as a Victaulic employee on a given site, it is required that your profile and related content should be consistent with how Victaulic would expect you to present yourself to colleagues and clients.
• In any related comments or posting you must make it clear that you are speaking on your own behalf and not on behalf of Victaulic.
• Be mindful that what you publish will be public for a long time.

All communications and requests from bloggers and writers should be directed to the Corporate Communications department.

If you see a comment or posting of concern, you are encouraged to bring it to the attention of the Legal department and the Corporate Communications department.

Examples of improper external communications:
Phyllis, a marketing manager in China, conducts an interview with a trade magazine and describes a new product that is still in development and has not been officially launched. Phyllis should have contacted the Corporate Communications department regarding this request and focus on approved product messaging for commercially available products.

Joe, a sales leader in Europe, posts on his LinkedIn profile that he is responsible for sales in a Victaulic vertical market and lists the actual Victaulic sales revenues of that vertical or lists his comments on Victaulic’s approach to growth in that vertical. He should simply state his role and responsibility at Victaulic. Joe should not disclose financial or other proprietary information.

Janet, an administrative assistant in Forks Manufacturing, receives a phone call from a reporter who inquires about status of union contract terms. She replies, “I think that is true, but I will let you know,” versus taking their information and passing along to the Corporate Communications department.

Victaulic Awareness Line
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SPANNING THE GLOBE WITH FACILITIES AND SALES SUPPORT SERVICING MORE THAN 120 COUNTRIES

KEY

★ Headquarters
For additional locations, information and support, visit victaulic.com/contactus