

*Hillenbrand, Inc.*  
*Code of Ethical Business Conduct*

## Message from the Chairperson of the Board of Directors and the President and Chief Executive Officer

Simply put, all of us at Hillenbrand, Inc. and its affiliated companies should always “do the right thing.” Hillenbrand and its companies have a proud tradition of conducting our business on a high ethical plane based on honesty, integrity, and fair commercial competition. This Code of Ethical Business Conduct applies to all directors, officers and employees (“associates”) of Hillenbrand, Inc. and its direct and indirect subsidiaries and is intended to provide a clear understanding of the ethical principles of business conduct expected of each associate. When the term “Company” or “Hillenbrand” is used in this Code of Ethical Business Conduct, it stands for any and all of Hillenbrand, Inc. and those subsidiaries. Accordingly, please read these standards carefully as they apply to you regardless of which particular Hillenbrand company you work for.

Our reputation for maintaining the highest standard of ethical conduct, fair dealing and honesty in all of our activities is founded on the personal integrity of our associates and our dedication to the following principles:

- **Fairness** - by observing both the form and the spirit of all applicable laws and regulations, accounting standards and Company policies and adhering to high standards of moral behavior.
- **Respect** - coupled with a willingness to solicit, listen to and act appropriately in response to the expressed needs and desires of our shareholders, directors, coworkers, customers, business partners, neighbors and suppliers.
- **Competition** - belief in a free market as the best mechanism for producing new ideas and new products, encouraging creative people to be productive.
- **Candor** - free discussion of projects, problems and ethical issues among our associates and with the legal and accounting professionals retained to assist us, together with candor in discussing our operations and their impact on the persons living around our facilities; and candor with suppliers and customers in buying and selling, while in each case protecting confidential information and trade secrets and demonstrating respect for individual privacy rights.
- **Prudence** - belief in the prudent exercise of personal and corporate discretion.

All actions of Company associates in business or public life tend to enhance or subtract from our reputation. It is imperative, therefore, that the highest standards of conduct be observed in all our behavior.

Today, all corporations are under high levels of scrutiny and are held to increasingly higher levels of accountability. As a result, the Board of Directors has reaffirmed its strong commitment that our business practices be conducted in accordance with the highest professional, ethical, legal and moral standards. Ethical conduct, whether in a business or personal context, can only result from a trained and sensitive awareness of right and wrong. All situations encountered in daily life can never be adequately anticipated by any set of rules intended to govern personal conduct. Nevertheless, we believe that we can identify certain broad areas in which ethical, legal and moral issues may be raised in a business context, and we have endeavored to articulate our general policies regarding conduct in those areas.

In addition, we cannot forget that we function within society and each of us must adhere to and comply with the legal, moral and ethical standards of our society in the conduct of business. The Company’s interests never can be served by individual corner-cutting in the interests of a seeming quick profit or temporary advantage.

It is our responsibility not only to conduct ourselves in a responsible and honest manner, but also to ensure that others do the same. If we know of any breach of the Company's standards of business behavior, we are required to report violations. The ultimate responsibility for maintaining the Company's standards of business conduct rests with each of us. As individuals of integrity and honesty, we must behave in ways that will bring credit to ourselves and to our Company.

The Company may from time to time acquire assets, businesses and operations in new markets and new countries. Our current associates, as well as new associates that join us, must always be aware that they are subject to the following Code of Ethical Business Conduct as well as the laws of the countries in which we operate. Associates must also be aware that each new business we acquire or new market we enter may bring with it new ethics issues, especially as our portfolio of businesses evolves as the Company continues to evolve as a global diversified industrial company.

Please read the Code of Ethical Business Conduct carefully. We are confident that each of us will comply with the Code and thereby help maintain our reputation for the highest standards of business integrity.

**Ray J. Hillenbrand**  
**Chairperson of the Board of Directors**

**Kenneth A. Camp**  
**President and Chief Executive Officer**

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## Hillenbrand, Inc.

### Code of Ethical Business Conduct

(As revised and adopted by the Board of Directors on December 5, 2012)

It is the policy of Hillenbrand, Inc. and all of its subsidiaries, whether owned directly or indirectly by Hillenbrand, Inc. (referred to collectively as the “Company”), to conduct their respective businesses, operations and financial affairs according to the standards and guidelines of ethical business conduct stated in this Code of Ethical Business Conduct (“Code”) and all applicable laws and regulations. This Code applies to all associates of the Company.

## ADMINISTRATION AND ENFORCEMENT

**Board of Directors and Ethics Committees.** The Board of Directors of Hillenbrand, Inc. is responsible for approval and oversight of the Code. The Board’s Audit Committee, working with the Nominating/Corporate Governance Committee, has responsibility for the implementation and administration of the Code, the review and assessment at least annually of the effectiveness of the Code and the recommendation to the Board of suggested changes in the Code. Accordingly, supplements to and revisions of this Code may be adopted from time to time. Such changes will become effective upon their adoption by the Board of Directors, and revisions of the Code will be made available as promptly as possible.

To assist the Committees and the Board and provide guidance in situations where you may have questions concerning the right course of action to take, Ethics Committees exist at Hillenbrand, Inc. and its primary operating companies. Each such Ethics Committee will include members of the executive management team of the applicable company. It is the responsibility of the Hillenbrand Chief Executive Officer and the Presidents of our operating companies, with assistance from the Ethics Committees, to ensure that this Code has been read and understood by all associates, as well as all relevant agents and representatives, of their respective companies. The Ethics Committees will meet as necessary to implement this Code and address concerns raised by associates. The Ethics Committees of the operating companies will promptly after each meeting report to the Hillenbrand Ethics Committee on compliance with the Code, the status of certification statements by associates and any other relevant matters relating to the Code. The Chairperson of the Hillenbrand Ethics Committee will, in turn, provide regular updates to the Audit and Nominating/Corporate Governance Committees.

**Certification Statements and Candor.** All associates, including new associates, will be asked to certify annually as to their understanding of and compliance with the Code. Depending on your area of responsibility, you may also be asked to certify as to your understanding of and compliance with certain policies. Certification statements that identify potential concerns will be reviewed by the Ethics Committee of the applicable company. All information disclosed in good faith in the certification statements or by other means shall be treated on a confidential basis, except to the extent reasonably necessary to protect the Company’s interests or comply with legal or regulatory requirements.

**Addressing Concerns and Violations.** Prompt and full disclosure is always the appropriate initial step towards solving any potential concern you may have. When in doubt about a particular situation, ask your manager, supervisor, Company lawyer or human resources representative or any of the members of your company’s Ethics Committee. Discovery of events of a questionable, fraudulent or illegal nature that are, or may be, in violation of the guidelines stated in this Code or other Company policies should be reported immediately to any of those individuals, each of whom are required to observe an “open door”

policy to all Company associates concerning any of such matters. If such events involve members of management sitting on an Ethics Committee, the matter should be reported to other members of that Committee, to the Hillenbrand Ethics Committee, or to the Hillenbrand Chief Executive Officer. Additionally, associates may report via our toll free Code of Ethics and Compliance Help Line at **1-888-469-1534** (or such country-specific number as may be attached), or online at [www.ethicspoint.com](http://www.ethicspoint.com). Associates who wish to report anonymously may do so to the extent permitted by applicable law.

*This Code is intended to create an opportunity for associates to express concerns relating to corporate accountability, alleged violations of Company policy, applicable law or regulations, or other alleged corporate misdeeds. We encourage such reporting to the Company directly so we can investigate and correct any errors or misdeeds that our associates may discover. The Company will not tolerate any discrimination or retaliation against any associate who reports such violations or allegations in good faith.*

**Waivers.** Any waiver of the standards set forth in this Code for executive officers or directors may be made only by the Board of Directors of Hillenbrand, Inc. or its Audit Committee and must be promptly disclosed to shareholders. The Board of Directors, its Audit Committee or the applicable Ethics Committee may grant waivers for other associates.

**Get Help to Avoid Violations.** Because the principles of responsibility, integrity and honesty are fundamental to how each of us should operate on behalf of the business, violation of this Code or any applicable laws, regulations or Company policies can result in a disciplinary response, up to and including termination of employment or legal action. If you address a questionable situation before it occurs by seeking help from your manager, supervisor, Company lawyer or human resources representative, or any of the members of your company's Ethics Committee, or by contacting the compliance help line, there is the opportunity to avoid a violation with those serious consequences.

Red flags that indicate you may need to seek advice include situations where:

- An associate's interests and those of the Company seem to conflict;
- An associate is in a position to receive a gift or personal favor from a customer or supplier;
- The only good reason for accepting something from a customer or supplier is because you feel like you deserve it;
- An associate will be communicating with a representative of a competitor;
- An associate has the opportunity to disclose confidential information to someone outside the Company;
- An associate has the opportunity to buy or sell Hillenbrand, Inc. stock or stock of a customer or supplier based on information not known to others;
- If the facts were published on the front page of the newspaper in connection with your name, you would be embarrassed;
- A decision is emotionally difficult or involves a conflict between two positive values; or

- The reason for a decision is based on an answer like: “I deserve this”; “Everyone does it”; “It is no big deal”; “No one will find out”; “No one cares”; “It is not my responsibility”; or “The Company wants me to do this.”

**Here are a few questions you should ask yourself to determine if your actions are ethical:**

Am I adhering to the spirit and overall values, as well as the letter, of any applicable law or Company policy?

Would I want my actions reported on the front page of a newspaper?

What would my family, friends, neighbors and co-workers think of my actions?

What would I advise my child to do?

Would I be comfortable testifying about my decision under oath?

Will there be any direct or indirect potential negative consequences to the Company?

Would I be comfortable describing my decision at an all-associate meeting?

**Other Related Information and Policies.** Certain sections in this Code may be further explained in other applicable Company policies and guidelines. Please refer to those materials for a more thorough understanding of these sections. Much of the Code outlines legal requirements. It is not intended to make you an expert in such areas. Instead, it is designed to alert you to problems you may face and enable you to know when you should obtain guidance from your manager, supervisor, Company lawyer or any of the members of your company’s Ethics Committee. The members of the Ethics Committees are consulted at the outset of business dealings, rather than at a later stage when arrangements have become so solidified that necessary changes may be difficult to make.

## STANDARDS AND GUIDELINES

Each person who is an employee, officer or director of Hillenbrand or any of its subsidiaries is a Company “associate” and has a responsibility to deal ethically in all aspects of the Company’s business and to comply fully with all laws, regulations and Company policies. Each individual is expected to assume the responsibility for applying these standards of ethical conduct and for acquainting himself/herself with the various laws, regulations and Company policies applicable to his or her assigned duties. When in doubt, associates have the responsibility to seek clarification from their supervisor, or, if necessary, from legal counsel, a human resources representative or a member of the Ethics Committee for their company.



## CONFLICTS OF INTEREST

*A conflict of interest exists when an individual's private interest conflicts, or appears to conflict, with the interests of the Company – that is, when an individual's loyalty to the Company and conduct of responsibilities and duties towards the Company is or appears to be prejudiced by actual or potential benefit from another source.*

We are confident in the individual loyalty and honesty of our associates. Good relations with customers and suppliers and the integrity of our associates are critical sources of goodwill and absolutely necessary to our success. Associates should always be in a position so that personal interests or third parties do not influence their judgment on Company matters.

No associate should be subject, or even reasonably appear to be subject, to influences, interests or relationships that conflict with the best interests of the Company. This means avoiding any activity that might compromise or seem to compromise the integrity of the Company or the associate.

### **Common Sources of Conflicts.**

Although it is impossible to prepare a list of all potential conflict of interest situations, conflicts of interest generally arise in four situations:

1. **Interest of Associate.** When an associate, a member of the associate's family or a company, organization or trust in which the associate is involved, has a significant direct or indirect financial interest in, or obligation to, an actual or potential competitor, supplier or customer of the Company;
2. **Interest of Relative.** When an associate conducts business on behalf of the Company with a supplier or customer of which a relative by blood or marriage is a principal, partner, shareholder, officer, employee or representative;
3. **Gifts.** When an associate, a member of the employee's household, a company, organization or trust in which the employee is involved, or any other person or entity designated by the employee, accepts gifts, credits, payments, services or anything else of more than token or nominal value from an actual or potential competitor, supplier or customer; and
4. **Misuse of Information.** When an employee misuses information obtained in the course of employment.

### **Definitions.**

For these purposes, suppliers include those providing goods or services - such as consultants, transportation companies, financial institutions and equipment lessors. Customers include not only those who buy products or services, but also those who exercise major influence over our customers.

An interest amounting to one percent or less of any class of securities listed on a nationally recognized securities exchange or regularly traded over-the-counter will not be regarded as a "significant" financial

interest in a competitor, supplier or commercial customer in the absence of other complicating factors that should cause the employee to recognize that a conflict is present. Similarly, the existence of an interest-bearing loan, at normal rates prevailing at the time of the actual borrowing, from a recognized financial institution will not be regarded as “significant.” However, any equity interest in a competitor, supplier or commercial customer that is not publicly traded must be treated as “significant” and should be reviewed promptly with legal counsel.

### **Specific Examples.**

While it is not possible to describe every situation, it is useful to consider a few examples in which clear conflicts of interest are present so that ground rules can be established:

**Position of Influence.** If an associate or a member of that associate’s family has a significant financial or other beneficial interest in an actual or potential supplier or customer, the associate may not, without full disclosure and specific written clearance by the appropriate Ethics Committee, influence decisions with respect to business with such supplier or customer. Such positions include situations where associates draw specifications for suppliers’ raw materials, products, projects or services; recommend, evaluate, test or approve such raw materials, products, projects or services; or participate in the selection of, or arrangements with, suppliers.

**Availability.** A conflict of interest may exist when an associate undertakes to engage in an independent business venture or agrees to perform work or services for another business, civic or charitable organization to the extent that the activity prevents such associate from devoting the time and effort to the Company’s business which his or her position requires. An employee shall not accept a position of directorship with another business without the written consent of the chief executive president of his or her company and shall not accept any position with any organization that prevents such associate from devoting the time and effort to the Company’s business which his or her position requires.

**Competitors.** An associate must not serve, advise or be associated with any person or enterprise which is a competitor of the Company, whether as an employee, stockholder, partner, director or advisor, unless that capacity is through membership in trade associations, manufacturer’s groups and the like, and involvement by the associate is at the request of the Company.

**Gifts.** It is the Company’s policy that all business decisions be made impartially and fairly, and not on the basis of gifts or favors. Therefore, no associate, or any of his or her immediate family, may solicit or accept favors, gifts, loans or other benefits (including services, vacations, holidays, travel, accommodations and discounts, as well as material goods) from any supplier, customer or competitor. The only exception to this policy is for casual entertainment or gifts (other than money) of nominal value which are customarily offered to others having a similar relationship with the supplier, customer or competitor or if specific approval is obtained via a clearance from the appropriate Ethics Committee. Associates should exercise judgment in deciding whether a gift or entertainment is of nominal value. It is always better to decline in circumstances where there is doubt. Items classified as advertising novelties that have wide circulation both within and without the Company (calendars, paperweights, etc.) do not violate the policy against receiving gifts. Permitting a supplier’s representative to pick up the check at a meal is not offensive so long as business was discussed at arm’s length and there are absolutely no implications that an unusual event has been staged with the intention of subverting loyalty to the slightest degree.

**Misuse of Information.** No information obtained as a result of employment or association with the Company may be used for personal profit or as the basis for a “tip” to others unless the Company has made such information generally available to the public. This is true whether or not direct injury to the Company appears to be involved. This requirement, as it relates to transactions with respect to stock and other securities, is further described below under the headings “Confidential Information” and “Trading in Securities and the Use of Inside Information.”

The requirement, however, is not limited to transactions relating to securities and includes any situation in which information may be used as the basis for unfair bargaining with an outsider. The public disclosure of confidential data and trade secrets relating to our business can have a material adverse effect on the Company and, as noted below, is prohibited.

### Hypothetical Scenario #1 – Conflicts of Interest

John is a Company associate with responsibility for sales of certain of the Company's products. John's sister-in-law has just been employed in a senior position with a customer to which John regularly sells the Company's products. Which of the following would be John's best course of action with respect to this customer?

- A. Continue selling products to this customer, but be sure that the price and other terms of the sales are fair and comparable to terms offered to other customers.
- B. Immediately discontinue sales to this customer and notify the customer that the Company will no longer be able to conduct business with the customer.
- C. Notify a member of the Ethics Committee of the company John works for of this potential conflict of interest and ask for guidance on dealing with this customer.
- D. Try to make his sister-in-law look good in her new job by selling the Company's products to her new employer at a steep discount.

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**Answer: C** is the correct answer. This situation creates a conflict of interest that should be brought to the attention of the Ethics Committee of the company John works for. A is incorrect because under this approach, even if sales to this customer are actually made on a fair and impartial basis, there is significant risk of the appearance of impropriety. B is also incorrect. Conflicts of interest involving individual associates, if managed appropriately, will rarely prohibit the Company from engaging in business with another entity. The key is sharing this information with an Ethics Committee.

### Hypothetical Scenario #2 – Conflicts of Interest

Tina is a Company associate with responsibility for purchasing materials used in the manufacture of Company products. One of the Company's suppliers offers Tina an expensive gold watch if Tina agrees to award him a significant contract to supply his product to the Company. Which of the following would be Tina's best course of action with respect to this proposal?

- A. Accept this proposal. Tina was considering awarding the contract to this supplier anyway, and she could use a new watch.
- B. Decline the proposal and report it to the Ethics Committee of the company Tina works for before making any decision on awarding the contract.
- C. Decline the watch, but award the contract to this supplier.
- D. Hold out for a better gift because Tina figures this contract is probably worth a new car.

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**Answer: B** is the correct answer. All business decisions at the Company must be made impartially and fairly and not on the basis of gifts or favors. A is incorrect. Even if the gift did not actually affect the decision to award the contract to this supplier, the gift likely would appear to others to have been a factor in the decision and could influence future business decisions. C is also incorrect. The supplier's conduct in this case is not consistent with the ethical standards that the Company expects of those with whom it engages in business. Accordingly, this conduct should be brought to the attention of an Ethics Committee member prior to any further transactions with the supplier.

### Hypothetical Scenario #3 – Conflicts of Interest

Same facts as in question 2 above, but instead of asking for Tim’s agreement to award him the contract, the supplier offers Tim the watch “just to say thanks” for the business Tim has given him in the past. Tim should:

- A. Thank the supplier for the gift, but tell him that Company policies require that Tim decline it.
- B. Accept the gift. Since Tim isn’t giving the supplier anything in return, there’s no harm in taking it.

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**Answer:** A is the correct answer. It does not matter that the supplier is not asking for anything specific in return for the gift. Gifts from customers, suppliers or competitors, other than those of token or nominal value, are prohibited by the Code because of the possibility that such gifts could affect the impartiality of future business decisions, either actually or in appearance.

### Hypothetical Scenario #4 – Conflicts of Interest

You have recently decided to start your own business, and you intend to operate that business while continuing to work as a Company associate. Which of the following would be permissible under the Code?

- A. You own and operate a business that in no way competes with the Company. You do not use Company resources for conduct of the business, and you conduct the business entirely on your own time and in a manner that does not in any way impair your ability to discharge your duties as a Company associate.
- B. You own and operate a business that in no way competes with the Company. You spend some of your time while at work at the Company tending to your business, and you use Company computers, telephones and other office equipment and supplies to conduct your business.
- C. You own and operate a business that competes directly with the Company, but you conduct the business entirely on your own time and in a manner that does not in any way impair your ability to discharge your duties as a Company associate.
- D. You own and operate a business that competes directly with the Company. You spend substantially all of your time while at work at the Company tending to your business, you seize every opportunity to use Company resources for your business and you fraudulently submit expenses associated with your business to the Company for reimbursement.

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**Answer:** A is the only correct answer. The conduct described in each of the other answers is strictly prohibited. The conduct described in answer B is prohibited even where the amount of time spent while at work at the Company or the extent of the use of Company resources is minor.

### Hypothetical Scenario #5 – Conflicts of Interest

Someone you know is forming a company that will be a competitor of the Company and offers you the opportunity to invest in the competitor and otherwise participate in the business of the competitor. Under the Code, you may:

- A. Purchase a controlling interest in the competitor.
- B. Purchase a small minority interest in the competitor.
- C. Serve on the board of directors of the competitor.
- D. Enter into a consulting agreement with the competitor pursuant to which you are paid to consult with the competitor on matters relating to its business.
- E. Give your acquaintance free advice on how to operate the business.
- F. None of the above.

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**Answer:** F is the correct answer. The Code prohibits all associates from serving in any capacity with, having any financial stake in or providing, with or without compensation, any assistance to competitors of the Company. The only exception is ownership of not more than one percent of a publicly traded class of securities. Ownership of a minority interest in a privately held company, as contemplated by answer B, is allowed under the Code only if the appropriate Ethics Committee is informed of and approves the ownership of such interest.

## CORPORATE OPPORTUNITIES

A corporate opportunity is an opportunity that is discovered through the use of Company property or information or position as a Company associate.

Associates are prohibited from taking corporate opportunities for themselves. When an associate uses corporate property, corporate information or corporate position for personal gain, he or she is taking a corporate opportunity. You must use corporate opportunities and Company property or other resources only for advancing the legitimate business interests of the Company.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes there are both personal and Company benefits in certain activities. Associates who intend to make use of Company property or opportunities in a manner not solely for the benefit of the Company should consult beforehand with the appropriate Ethics Committee.

## Hypothetical Scenario #6 – Corporate Opportunities

You are asked by the Company to identify potential locations for a new manufacturing facility and to recommend one or more locations to senior management. You find two available properties that would be ideal for the new facility. However, one of the properties would also be an ideal spot for a new shopping mall, and you have recently invested in a group that plans to develop a shopping mall. Which of the following is an appropriate course of action?

- A. Present only one site to Company management and present the other to your investment group. You thought the two properties were equally good for the Company, so the Company doesn't lose out if you don't present to it both options.
- B. Present both options to the Company, and allow your investment group to pursue the property for its shopping mall only if the Company has made the determination not to pursue the property.
- C. Acquire both properties for yourself and try to sell them to the Company at an inflated price.

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**Answer: B** is the correct answer. Both properties represent corporate opportunities of the Company. Accordingly, you are prohibited from using the opportunity for your own advantage unless the Company has clearly determined that it is not interested in pursuing the opportunity.

## CONFIDENTIAL INFORMATION

The Company's success is largely dependent upon the strict adherence by associates to the Company's policy of nondisclosure of information that belongs to the Company and other confidential data. Of particular concern is the need to safeguard the Company's business plans and developments. The unauthorized disclosure of Company information (including business records, business data, personal and financial information, social security numbers, bank records, acquisition plans, divestiture plans, investment plans and other strategic business plans), whether verbally or in writing (including on anonymous Internet chat rooms or message boards), will not be tolerated. Under no circumstances should these matters be discussed informally as office gossip, over cocktails, at home or otherwise. Such discussions substantially increase the likelihood that the Company's strategic plans will become known to others prior to the time that the Company is prepared to execute them. Premature disclosure hurts the Company's planning flexibility and may make it impossible to conclude the proposed project. Much time and effort are spent in developing the Company's strategic plans.

Remember that the success of the Company is largely dependent upon strict adherence by all associates to the Company's policy of nondisclosure of confidential information. The sharing of such information with others may: (a) result in penalties under securities laws, both in the U.S. and abroad; (b) constitute the theft of trade secrets, which is a crime; (c) generate criticism and embarrassment to the employee and the Company; (d) compromise the Company's ability to achieve its strategic objectives; and (e) violate the privacy rights of an individual. If each associate refrains from discussing confidential aspects of the Company's business and operations with anyone inside the Company who is not otherwise familiar with the confidential information, and with everyone outside the Company, each employee will avoid liability and embarrassment to himself or herself and damage to the Company.

Information obtained from third parties (including business records, business data, personal and financial information, social security numbers, bank records) should, likewise, be kept confidential. For example, you must not attempt to obtain trade secrets, proprietary information or other confidential information relating to competitors from job candidates or newly hired associates.

### Hypothetical Scenario #7 – Confidential Information

You and your co-worker, Steve, take a break one afternoon to go get a coffee at the local Starbucks. While standing in line to order your coffee, Steve starts discussing (rather loudly) the Company's plans to purchase another business. (Steve learned of this acquisition while eavesdropping in the break room.) Although you, too, have heard about this acquisition, you are also aware of the Company's policy regarding confidential information. How should you respond to Steve's comments?

- A. Share with Steve what you have heard.
- B. Turn to the person behind you in line (who happens to be the President of a competitor) and say "can you believe the news?"
- C. Ignore Steve's comment.
- D. Discreetly remind Steve that the acquisition is confidential information about the Company and should not be discussed in public.

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**Answer:** D is the correct answer.

### Hypothetical Scenario #8 – Confidential Information

Upon returning to work, Steve wants to continue the conversation about the acquisition in the hallway between your two offices. Can you now discuss the matter openly because you are on the Company's premises?

- A. Yes – it is acceptable to discuss the acquisition among the Company's associates.
- B. No – you and Steve should not discuss the matter any further.
- C. No – you and Steve should only discuss the acquisition in the privacy of one of your offices.
- D. Yes – it is likely that all the Company's associates are aware of the acquisition because both you and Steve knew.

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**Answer:** B is the correct answer.

### Hypothetical Scenario #9 – Confidential Information

You are working late one night finalizing some financial documents which include details about the Company's financial condition. As it approaches 11:00 p.m., you decide to stop working and go home. Because you are tired, you question whether you should leave your computer on so that you can resume working as soon as you return to work in the morning. As far as you can tell, no one is around except the cleaning crew, and no one would bother looking at your computer anyway. What should you do?

- A. Shut down your computer to ensure that no one will be able to gain access to the financial statements.
- B. Leave your computer on, but turn off your monitor so that anyone who comes to your office will think your computer is turned off.
- C. Leave your computer and monitor on – you'll be in early.
- D. Shut down the computer, and take the documents home to review them.

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**Answer:** Both A and D are correct answers. D raises another important issue regarding confidential information – each Hillenbrand company should ensure that if its associates are allowed to take confidential information out of the office, those associates understand that they are required to safeguard the information from disclosure.

### Hypothetical Scenario #10 – Confidential Information

Although you have enjoyed a prosperous career with the Company, you have been made an offer you cannot refuse by one of the Company's competitors. You will be performing the same job duties as you were at the Company (sales). Although the prospective employer has not requested any information regarding the Company's clients, you suspect that providing the customer information would help you get off to a great start with your new employer. To this end, you decide to take with you the information regarding the clients with whom you have a relationship, including their names, addresses, purchase history and each customer's contact person. You figure that this information is partially yours anyway, since you have maintained the relationship for years. Any problem?

- A. No – these are your customers and you are entitled to keep up the relationship, no matter where you work.
- B. No – if the customers were important to the Company, the Company would have matched the new company's offer to invite you to stay.
- C. Yes – customer lists may be considered the confidential information of the Company.
- D. Yes – the Company may seek an injunction to keep you from taking or using the customer information.

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**Answer:** C and D are the correct answers.



## PROTECTION AND PROPER USE OF COMPANY ASSETS

Protect the Company's property and resources as you would your own. Associates are responsible for using Company resources and property (including Company travel expenses, time, materials, computers, telephones, other equipment and proprietary information) for Company business purposes only, and not for his or her personal benefit. Inventions and ideas developed using Company assets and during Company time belong to the Company, and should not be disclosed, used or commercialized other than by and for the Company. These inventions are Company property and must be disclosed to your supervisor, manager or legal counsel for appropriate further action. Company assets may be used only for Company purposes. Use of Company-provided technologies and property for calls, emails or other similar matters of a personal nature should be infrequent. We are expected to engage in only Company business-related activities during business hours. Associates must not perform non-Company business or solicit business for a non-Company business while working on Company time.

### Hypothetical Scenario #11 – Protection and Proper Use of Company Assets

You are an employee in the Company's information services department. In your "free" time at work, you have been creating a software program that has enabled you to create and maintain a database of all the Company's vendors. Although you understand that the information within the database belongs to the Company, you consider the software program that you developed to be your property. You are considering leaving the Company, and plan on taking it with you to use at your next job. Who knows, you may be compensated for it. Are you allowed to do this?

- A. Yes – you created the program; therefore, it is yours.
- B. Yes – you never signed any agreement with the Company about inventions.
- C. No – you created the software while at work using the Company's property.
- D. No – but no one will ever know.

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**Answer: C** is the correct answer.

### Hypothetical Scenario #12 – Protection and Proper Use of Company Assets

You have just joined the Company as a sales person. Previously, you worked with the Company's top competitor in the region. You decide that a friend of yours who is still employed with the competitor would be a great addition to the Company. Moreover, you believe that bringing your friend to the Company as an employee would impress your new boss, because your friend has an impressive sales record. However, you are bound by a two-year covenant prohibiting you from soliciting the competitor's associates (a clause contained in your employment agreement with the competitor). Should you contact your friend about the job?

- A. Yes – the Company needs new sales people.
- B. No – contacting your friend about joining you at the Company would be a breach of your employment agreement.
- C. Yes – your former employer will never know how your friend learned about the job.
- D. No – you don't want to risk getting your new employer in trouble.

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**Answer: B and D** are both correct answers.

### Hypothetical Scenario #13 – Protection and Proper Use of Company Assets

The Company sends you to Home Depot to purchase (with your manager's Company credit card) an emergency item needed in the warehouse. You find what you need, and while standing in line for the register, you see a tape measure. You have been intending to pick one up the next time you go to a hardware store. You question whether you should buy it and charge it to the Company's credit card in order to avoid holding up the line. What should you do?

- A. Buy it – the Company should compensate you for going to Home Depot anyway.
- B. Buy it – it's only \$5. No one will ever notice.
- C. Don't buy it with the Company credit card – the purchase is unauthorized.
- D. Buy it – but pay for it with your own money.

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**Answer:** Both C and D are correct answers.

## FAIR DEALING

Each of us is expected to deal fairly with actual and potential customers, suppliers, competitors and associates. No associate should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts when conducting the Company's business, or any other unfair dealing practice. Be honest in all your dealings.

We should avoid even the appearance of wrongdoing and, at all times, should conduct our business according to the highest ethical standards. We should compete solely on the merits of our expertise and the quality of our products and services, as well as our ability to service what we offer and to execute timely on our contracted projects, and not engage in any form of unfair competition.

Furthermore, we will not condone the use of competitors' or other third parties' confidential information obtained during past employment or which has been obtained, directly or indirectly, by improper means such as misappropriating confidential information, bribing, contacting a competitor's employees or misrepresenting the fact that you are an employee of a competitor. If consultants or other persons are retained by the Company to gather competitive information, the same rules would apply.

Some additional guidelines are:

- Deliberately misleading messages, omissions of important facts or false claims about competitor's products or services are not acceptable.
- Be accurate and truthful in all dealings with customers and be careful not to misrepresent the quality, features or availability of our products or services.
- Do not interfere with an agreement made between a potential customer and a supplier competing with us.
- Never engage in industrial spying or commercial bribery.

Besides being responsible for their actions toward others, associates are obliged to retain certain documents that they create or receive. Each employee must strictly observe record retention guidelines

applicable to his or her company. The application of the laws of fair competition is complex and sometimes ambiguous. When questions arise, consult with legal counsel.

### Hypothetical Scenario #14 – Fair Dealing

Josh is a Company associate with responsibility for sales of the Company's products. A customer contacts him to place an order. The customer indicates that it must have the products by a specified date and that the customer will look at other options if the Company cannot deliver the products by the specified date. Josh knows, based on orders already in place from other customers and production lead times, that the Company will not be able to provide all of the requested products by the specified date. Which of the following would be a permissible course of action with respect to this order?

- A. Furtively attempt to pull strings within the Company to redirect products intended for another customer to this customer.
- B. Tell the customer that the Company can fill the order on time. Because Josh knows that by the time the customer discovers that the products won't be delivered on time, it will be too late for the customer to get the products from a competitor. Josh thinks he will be able to blame the delay on "unforeseen circumstances" and smooth things over with the customer.
- C. Tell the customer that his request is totally unreasonable and absurd.
- D. Explain to the customer that, although the Company always uses its best efforts to meet its customer's requirements, the Company cannot have the quantity of products available by the specified date. Attempt to identify alternatives that will satisfy the customers' needs.

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**Answer: D** is the correct answer. The conduct described in all other answers would violate the Company's policy of fair dealing.

### Hypothetical Scenario #15 – Fair Dealing

Josh recently learned that a customer has hired a competitor for a project that Josh had hoped to land for the Company. Josh should:

- A. Call the customer and tell her that she will regret the decision to hire the competitor because the competitor will not be able to deliver a quality job on time.
- B. Attempt to persuade the customer to breach its contract with the competitor.
- C. Take appropriate steps to maintain the Company's relationship with the customer so that the Company will be considered for future jobs by the customer.

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**Answer: C** is the correct answer. The conduct described in the other answers would violate the Company's policy of fair dealing.

### Hypothetical Scenario #16 – Fair Dealing

An acquaintance of yours recently left a position at a competitor of the Company. The acquaintance contacts you and offers to share with you sensitive information concerning the competitor. You should:

- A. Allow the acquaintance to share the information with you and use the information to the Company's advantage.
- B. Allow the acquaintance to share the information with you, with the thought that you are merely curious about the competitor's practices but don't intend to use the information to the Company's advantage.
- C. Tell the acquaintance that you are not interested in the information.
- D. Set up a meeting with the acquaintance and all potentially relevant Company associates so that the Company can maximize the benefits of the acquaintance's willingness to share information.

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**Answer: C** is the correct answer. You should assume that your acquaintance has a duty to his former employer not to disclose confidential information concerning the former employer. The Company will not condone the use or intentional acquisition of any information acquired in violation of or potentially in violation of any such duty.

### Hypothetical Scenario #17 – Fair Dealing

A position senior to yours has opened up at the Company, and you believe that you and another Company associate are the most likely candidates to fill the position. You may:

- A. Spread rumors concerning the other associate's qualifications for the position and/or interest in filling the position.
- B. Try to dig up dirt on the other associate.
- C. Express your interest in the position to those responsible for deciding to whom the position should be offered and explain your qualifications to those persons.
- D. Offer items of value or favors to the persons responsible for deciding to whom the position should be offered.

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**Answer: C** is the only correct answer. The conduct described in all other answers would violate the Company's policy of fair dealing.

### Hypothetical Scenario #18 – Fair Dealing

You learn potentially embarrassing but purely personal information about an employee of a customer, supplier or competitor or another Company associate. You should:

- A. Keep the information to yourself.
- B. Send out an email containing the information to a large group of Company associates.
- C. Share the information with a few of your closest friends at the Company.
- D. Threaten the individual with disclosure of the information if the individual does not act in a way that is advantageous to you or to the Company.

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**Answer: A** is the only correct answer. The conduct described in all other answers would violate the Company's policy of fair dealing.

## COMPLIANCE WITH APPLICABLE LAWS

While the Company is involved in highly competitive business activities and hence must compete vigorously, it must do so in strict compliance with all laws and regulations applicable to its activities. When the Company's internal policies are more stringent than local laws, those policies must be observed and followed. No associate should at any time take any action on behalf of the Company that he or she knows or has reason to suspect violates any applicable law or regulation.

Each of our associates is expected to be knowledgeable of all laws and regulations – whether U.S., state, local or foreign – governing the business of his or her respective company and the particular locations in which that company conducts business. Violations of these laws and regulations could result in significant lawsuits, administrative penalties or other sanctions, and potentially even criminal penalties, for both the Company and its personnel.

Prior to taking any action that could impact regulatory compliance (e.g., redrafting a product warranty, changing a procedure subject to environmental regulation, reporting safety incidents regarding our products, offering a gift to a public official), legal counsel should be consulted. It is the responsibility of the manager of each facility and business unit to understand, and to communicate and enforce within his or her organization, the terms and conditions of all permits, authorizations and regulations applicable to that organization.

It is the Company's policy to comply not only with the formal requirements of applicable laws and regulations, accounting standards and Company policies, but also with the spirit of such laws, regulations, standards and policies. Any conduct that is technically in compliance with such laws, regulations, standards or policies but violates their underlying principles or is designed to evade them, is unacceptable.

The following sections outline certain policies and basic principles of compliance with laws and regulations in the U.S. and other jurisdictions, specifically addressing matters ranging from antitrust to securities trading to political activity, among others. It should be understood, however, that this Code is not limited to only the specified matters, but extends to all applicable laws and regulations.

### Antitrust Compliance

The Company competes aggressively in the marketplace to best serve our customers' needs. However, we must always remember that the Company is subject to laws that protect fair competition (often called "antitrust laws") in most countries where we do business.

Antitrust laws are complex and vary from country to country. At the heart of most antitrust laws, however, is the conviction that the economy and the public will benefit most if businesses compete vigorously, free from unreasonable restraints. Compliance with applicable antitrust laws is the policy of the Company and the responsibility of each associate. Failure to comply could result in serious consequences for the Company and offending associates. Violations of many antitrust laws are crimes, subjecting the Company and the individuals to heavy fines, and individuals to possible imprisonment. In addition, the Company may be required to pay treble damages and be ordered to refrain from engaging in the activity. And, of course, the Company's reputation may be damaged even in those cases in which it ultimately prevails in a legal action.

Many elements of the U.S. antitrust laws are applicable to international transactions in which a United States person or corporation is a party where the transaction has any substantial effect on the foreign commerce (e.g., imports or exports) of the United States. If an international transaction falls within the jurisdiction of the U.S. antitrust laws, those laws are applied in the same manner as they are applied with respect to domestic transactions. In addition, the antitrust laws of the foreign jurisdictions in which we compete will often be applicable.

While it is not possible within this Code to address all areas covered by antitrust laws in the U.S. and abroad, the following guidelines are intended to address some of the most common antitrust situations that may face our associates. In all of your dealings on behalf of the Company, be guided by the following rule: whenever you are in doubt, consult with legal counsel at the earliest possible moment.

#### **Basic Antitrust Rules of the Road:**

- **Do not discuss prices, terms and conditions of sale, discounts, credit terms or similar subjects with your competitors.**
- **Do not participate in benchmarking or statistical reporting of competitive information among competitors without clearance from legal counsel.**
- **Do not “signal” competitors regarding pricing strategies and do not use customers or other third parties to “send the message” about how the industry should behave.**
- **Do not agree with a competitor to stay out of each other’s markets or to stay away from each other’s customers.**
- **Do not discuss current or future output, costs, marketing strategies or other competitively sensitive information with competitors.**
- **Do not price below cost without consulting legal counsel.**
- **Do not coerce customers or others into setting specific prices or price ranges.**
- **Do not “tie” (that is, condition) the sale of one product to another.**
- **Do not reach agreements with dealers or customers to take any action with respect to another dealer or customer.**
- **Do not agree with competitors not to deal with, buy from or sell to a customer or supplier.**
- **Do not agree to buy or sell from a customer or supplier in exchange for the customer’s or supplier’s agreement to buy from us.**
- **Do not leave unanswered any offer from competitors to join a conspiracy, whether that offer is unsolicited, open-ended or otherwise.** The standards for conspiracy to violate the antitrust laws are extremely broad, and conspiracies have been found even where competitors never met or exchanged words. It is a mistake to think that the prohibited types of agreements identified above must be either formal or conspiratorial. The unlawful agreement may often be no more than an informal



understanding reached at a seemingly innocent occasion like a trade association meeting or on the golf course, or simply an understanding based on the sharing of competitive information that naturally tends to produce uniform action. If discussion of prohibited subjects should arise in a meeting where competitors are present, you should clearly disassociate yourself from the conversation and leave the meeting so that other participants present will remember that you left the meeting and your reason for leaving. Simply walking away from an improper conversation about price, market allocation or bid rigging is not sufficient. You must document this conversation and consult with legal counsel.

- **Avoid informal contact with competitors to the extent possible.** Trade associations are a frequent source of antitrust complaints. Accordingly, membership and participation in trade associations should be carefully and regularly monitored to make sure that they serve a valuable business purpose and that their benefits are not outweighed by the antitrust risks. However, any forum where competitors meet can become a vehicle for potential antitrust concern, including informal “rump sessions” following more formal proceedings where competitors get together over drinks and discuss company business. The best advice is to avoid to the extent possible such informal contact with competitors. Any price change or uniform activity among competitors that occurs shortly after such a meeting becomes very suspect.
- **If participation in a meeting with competitors serves a valuable and legitimate business purpose not outweighed by the antitrust risk, formal procedures, including the circulation of agendas prior to the meetings and the memorialization of detailed minutes of the proceedings, should be followed at all meetings.** There should be someone present at association meetings, such as legal counsel or a chairperson, who will indicate when the topic under discussion creates a possible risk of antitrust exposure and make certain that further discussion of such topic is dropped.

Associates are expected to consult with legal counsel before they participate in any significant interactions with competitors, including but not limited to those that could be viewed as “benchmarking” (statistical reporting of competitive information among competitors) or as prohibited “signaling” of pricing, market behavior understandings, or other sharing of competitive information.

## Hypothetical Scenario #19 – Antitrust Compliance

At the recent convention held in San Diego, Barbara (a Company associate) runs into Alan from a competing company (“Competitor”). Alan starts by complaining how tough business has been lately, then mentions pending RFP’s from two potential customers (Customer A and Customer B). He says: “We are really focusing on Customer A. You know they have been our biggest customer for years. I don’t know what we’ll do about Customer B, if anything.” Barbara is surprised and walks away without responding. Back in her office a few days later, Barbara is reviewing certain financial projections with a focus on margins rather than share. She decides to bid to Customer B but not Customer A, and notifies her sales team. Customer A complains to the U.S. Department of Justice (DOJ), which charges both companies and both individuals with price-fixing. How do you vote: Guilty or Not Guilty?

The Company produces documents to the DOJ, including the following email from Barbara to her boss, Bill:

Date: November 1  
From: Barbara  
To: Bill  
Subject: Show last week

I ran into Alan at the show last week and he said in so many words that if we don’t bid hard for Customer A they would leave us alone at Customer B.

And Bill’s response:

Date: November 1  
From: Bill  
To: Barbara  
Subject: Show last week

Sounds like a deal!

In the documents Competitor produces to the DOJ is an email from Alan to his boss:

Date: November 8  
From: Alan  
To: Adelle  
Subject: Proposal

Looks like we won’t have to worry about the Hillenbrand company on this one. They pulled back their proposal to Customer A after I talked to them. We’ll have to remember that next time one of their customers approaches us.



Now do you think there was an agreement? Barbara should have:

- A. Responded to Alan.
- B. Documented her reasons for declining the business.
- C. Contacted the legal department.

**Answer:** All of the above are correct responses although incomplete. Barbara should have stated very clearly that she could not discuss any competitive topics with Alan and walked away. Immediately after that she should have documented what happened and sent the memo to the legal department. She should also have been much more careful about any emails on the subject.

## Trading in Securities and the Use of Inside Information

There is always one question every associate must ask before buying or selling, or recommending that others buy or sell, Hillenbrand, Inc. shares: “Am I in possession of material nonpublic information?” If the answer is yes, you may not buy or sell Hillenbrand shares or recommend that others do so.

The U.S. securities laws prohibit “insider trading” – that is, the purchase or sale of any security by a person who possesses material nonpublic information (defined below) until the Company has disclosed such information to the public. This includes not only orders for purchases and sales of stock and convertible securities but also options, warrants, puts and calls. You should wait to trade until the information has been publicly released and the public has had sufficient time to absorb it – that is at least two business days from the time of public disclosure by the Company.

The U.S. securities laws also prohibit the passing of such information to another person who may trade in any security based upon such information (known as “tipping”). Because of the taint that can attach even to allegations of insider trading, the Company and its associates should attempt to avoid even the appearance of impropriety in this regard. Remember, transactions are always viewed in hindsight.

The Company and its associates may in some cases also be subject to insider trading laws in jurisdictions outside the U.S. The goal of courts and of securities regulators (both in the U.S. and abroad) in enforcing insider trading laws is generally to ensure that all investors have equal access to material information regarding a company’s securities.

Therefore, applicable securities laws and regulations and Company policy prohibit any person having material nonpublic information regarding the Company or its securities from buying or selling Company stock when such information has not been published to the general public. Family members and friends who have gained confidential information from such associates are also prohibited from trading Company stock. Accordingly, any references to associates in this context apply equally to these other individuals.

As a general rule, associates should not engage in purchases or sales of Company securities during the period (often referred to as the “blackout period”) beginning on the first business day following the end of each fiscal quarter and ending two business days after the corresponding earnings announcement for that quarter. Even outside of blackout periods, an associate may not purchase or sell or otherwise engage in transactions involving Company securities at any time in which he or she possesses material nonpublic information.

Hillenbrand directors and certain of the officers and shareholders of Hillenbrand or its subsidiaries are subject to more restrictive rules concerning the purchases and sales of Company securities, as well as certain reporting requirements and recapture of short-swing profits under the securities laws. Those extensive restrictions have been communicated to directors and officers separately. However,

compliance with those rules is part of our policy of full compliance with all applicable laws governing securities.

Associates who have material nonpublic information regarding Hillenbrand stock or another company's stock should (1) not disclose that information to anyone inside or outside the Company; (2) avoid buying or selling stock of Hillenbrand or of another company until such information has been made public; and (3) avoid recommending or suggesting to another to buy or sell stock of Hillenbrand or of another company until such information has been made public. It is particularly important to exercise care and refrain from discussing nonpublic information in public places such as elevators, airplanes, taxis or restaurants where discussions might be overheard.

Violations of these rules may result in the Company's receipt of a fine that could involve millions of dollars. Associates may be subject to large fines, treble damages based on unlawful profits and potentially a jail term. Associates also face sanctions imposed by the Company for violation of these standards.

### **Definitions.**

**Material information** is information that is important enough to affect your or anyone else's decision to buy, sell or hold the Company's shares or securities. Information about the following could be material: quarterly or annual earnings results; financial forecasts; mergers, acquisitions, tender offers, joint ventures, divestitures or other changes in assets; dividends; stock splits; management changes or changes in control; public or private sale of a significant amount of additional debt or equity securities; major litigation; significant labor disputes; major plant closings; establishment of a program to buy the Company's own shares; the award of a significant project or other contract; new products or discoveries, or developments regarding customers or suppliers; change in auditors or disagreements with auditors; or deterioration in the Company's credit status. The foregoing list is intended to be illustrative and is not intended to be complete. Any questions regarding whether information is material or nonpublic, or whether there has been an inadvertent disclosure of such information, should be directed immediately to legal counsel.

**Nonpublic information** has not yet been disclosed to the investing public. Information is considered to be public knowledge when it has been published in newspapers or other media or has been disclosed in a press release. Until formally released to the public through a press release or filing with the Securities and Exchange Commission (SEC), material information concerning Company plans, projects, successes or failures is considered "inside" information and, therefore, confidential. Information that has been publicly disseminated such that investors have had the opportunity to evaluate it, or that has been filed with governmental agencies as a matter of public record, is considered public and is available to anyone upon request. Examples include press releases, annual and quarterly earnings reports to stockholders, published speeches, reports to the SEC (e.g., reports on Forms 10-K, 10-Q, and 8-K), registration statements, prospectuses and proxy materials and information appearing on the Company's website.

### Hypothetical Scenario #20 – Trading in Securities and the Use of Inside Information

You overhear a conversation in which a Company associate remarks that Hillenbrand's earnings for the quarter that is about to end probably will fall below the earnings guidance that Hillenbrand has previously made public. Hillenbrand has not made a public announcement of the expected earnings shortfall. Which of the following is true?

- A. You may trade in Hillenbrand stock. Information concerning earnings is not material.
- B. You are prohibited from trading Hillenbrand stock.
- C. You may trade in Hillenbrand stock. Because you didn't acquire the information while acting in your official capacity at the Company, you aren't prohibited from using the information to trade.
- D. You may trade in Hillenbrand stock as long as you buy or sell fewer than 100 shares.

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**Answer: B** is the correct answer. Information concerning earnings is clearly material, and you may not trade whenever you are in possession of material nonpublic information. It does not matter whether you acquire the information accidentally or in the performance of your job. Also, the number of shares that you trade is not relevant for purposes of insider trading laws or the Company's trading policy.

### Hypothetical Scenario #21 – Trading in Securities and the Use of Inside Information

On the day you were planning to buy some Hillenbrand stock, you learn for the first time of a positive development relating to one of Hillenbrand's businesses. You aren't sure whether the development is material information or whether the development has been publicly announced. You should:

- A. Consult with in-house legal counsel at Hillenbrand before buying.
- B. Assume that it is safe to buy Hillenbrand shares, because if the development were material Hillenbrand would already have issued a press release announcing the development.
- C. Tell your broker about the development and ask his opinion regarding whether it is okay for you to buy.
- D. Buy options for Hillenbrand stock, because trading in options is not subject to insider trading laws or the Company's trading policy.
- E. Go ahead and trade, and keep your fingers crossed that the development didn't constitute material nonpublic information.

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**Answer: A** is the correct answer. Hillenbrand's in-house counsel are always available to discuss such matters with you, and this is always the best course of action if you are at all unsure whether it is okay to trade. B is incorrect because there will certainly be situations in which material nonpublic information exists and Hillenbrand has not yet determined to or been required to make a public disclosure. C is incorrect because, among other reasons, you are prohibited from sharing confidential information about any Hillenbrand company with third parties. D is incorrect because trading in options and other derivative securities is subject to insider trading laws and the Company's trading policy to the same extent as trading in Hillenbrand common stock.

### Hypothetical Scenario #22 – Trading in Securities and the Use of Inside Information

Jane is having dinner with some friends and discussing her job at the Company. She wants to tell her friends about the exciting transaction she has been working on, which is a significant potential acquisition by the Company. A final agreement with the acquisition target has not been reached yet, and no public announcement of the transaction has been made. May Jane tell her friends about this transaction?

- A. Yes. Because no agreement has been reached with the target, the potential transaction is not material nonpublic information.
- B. No.
- C. Yes, as long as she tells her friends not to trade in Hillenbrand stock.
- D. Yes. It would be okay for Jane's friends to trade in Hillenbrand stock because they are not associates of Hillenbrand or one of its subsidiaries.

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**Answer: B** is the correct answer. A is incorrect. If a transaction or development would be material when it actually occurred, then the fact that there is a possibility that the transaction or development may occur would likely also constitute material information. C and D are incorrect because disclosing material nonpublic information to third parties is a violation of the Company's trading and confidentiality policies. Moreover, if Jane's friends used the information to trade in Hillenbrand stock, Jane could have liability under insider trading laws for "tipping."

### Hypothetical Scenario #23 – Trading in Securities and the Use of Inside Information

Same scenario as in 22 above, but Jane is having dinner with her parents rather than with her friends. May Jane tell her parents about the transaction?

- A. Yes. Because no agreement has been reached with the target, the potential transaction is not material nonpublic information.
- B. No.
- C. Yes, as long as she tells her parents not to trade in Hillenbrand stock.
- D. Yes. It would be okay for Jane's parents to trade in Hillenbrand stock because they are not associates of Hillenbrand or one of its subsidiaries.

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**Answer: B** is still the correct answer. It does not matter than Jane would be disclosing information to her parents rather than her friends.

## Public, Media and Governmental Communications

It is essential that we maintain integrity in our relationships with the general public which is influenced by our shareholders, representatives from the media and other members of our communities. Requests for financial or business information about Hillenbrand and its subsidiaries from the general public, shareholders or the media (e.g., newspapers, radio, television, magazines, etc.) must be submitted for review and approval by Hillenbrand's Chief Financial Officer, General Counsel or investor relations director. Hillenbrand has established rigidly defined channels through which communications proposed for public release must flow. No disclosure of information that has not yet been disclosed publicly should be made without first consulting the Company's policy and procedures on this subject or one of those individuals. Likewise, requests for information or other contacts from the Securities and Exchange Commission, the New York Stock Exchange, the Financial Industry Regulatory Authority, NASDAQ or similar foreign securities markets or regulators must all be referred to the Hillenbrand Chief Financial

Officer, General Counsel or investor relations director. It is critical that you not respond to any such contact or inquiry yourself because any inappropriate or inaccurate response, even a denial or disclaimer of information, may be deemed a Company disclosure and could not only cause adverse publicity but also seriously affect Hillenbrand's legal position. Any other information request from someone representing a government agency or other third party must be referred to your supervisor or manager or to one of the representatives of your company's legal, human resources or finance teams.

### Hypothetical Scenario #24 – Public, Media and Governmental Communications

Eli receives a telephone call from a person who identifies herself as a securities analyst in the U.K. who covers Hillenbrand stock. She asks Eli how things are going at the Company and whether there are any interesting developments at the Company. Eli should:

- A. Speak freely and openly to the analyst. Analysts need to know what's going on with the companies they cover in order to do their jobs well.
- B. Decline to speak to the analyst about the Company and refer her to the Company's investor relations director.
- C. Talk to the analyst, but only about things that Eli thinks do not constitute material nonpublic information.
- D. Tell the analyst she'll share some good information with her, but only if she gives Eli a good stock tip.

**Answer: B** is the correct answer. The U.S. securities laws strictly regulate the manner in which material nonpublic information may be communicated to persons such as securities analysts and investors, and Hillenbrand has established procedures for dealing with inquiries from such persons. Moreover, the U.K. securities laws might impose similar restrictions in this case. Accordingly, such inquiries should always be referred to Hillenbrand's Chief Financial Officer, General Counsel or investor relations director. Sharing information with the analyst would violate Hillenbrand's trading and confidentiality policies and could result in liability under applicable U.S. or foreign securities laws for Eli or the Company.

### Political Activity and Contributions

Each country in which the Company operates, including but not limited to the United States, imposes or may impose certain restrictions on political contributions by companies. Therefore, in any situation in which a political contribution is being considered, associates must first consult with the legal department to ensure strict compliance with applicable laws as they are interpreted and amended from time to time. It should also be understood that U.S. law may in certain instances actually prohibit political contributions in other countries.

This Code is not intended to prevent associates from participating in the political process or from making personal political contributions to a party, committee or candidate. However, associates may not represent a personal contribution (or any related political opinion) as that of the Company, and no such contribution may directly or indirectly involve Company funds or other Company resources. Associates should not in any way link the Company to their personal political work or affiliations, or suggest that the Company endorses their political activities.

Communicating the Company's position on matters of policy to government associates and officials can make the employee and the Company subject to applicable advocacy laws. Many local, state and national governments require registration of political advocates, or "lobbyists," with significant penalties for non-compliance. The definition of a political advocate varies by location but may include

any interaction with government officials for a business purpose. Associates must, therefore, consult with the legal department or the governmental affairs director prior to conducting business with government officials, to determine if the associates must be appropriately registered. Associates should also contact the legal department or the governmental affairs director if a need exists to engage political advocates.

The use of Company locations or resources for political speeches or other political purposes may be considered a political contribution in some countries. Associates should get the approval of the legal department or governmental affairs director before allowing any activity of this kind.

Associates are not pressured to contribute money or effort to support a political party or a political candidate. Associates may join the Hillenbrand, Inc. PAC (HIPAC), but this is totally voluntary. They may give their own money to the HIPAC (in keeping with eligibility and other rules of the HIPAC), but only if they freely choose to do so.

## Doing Business with the Government

As a supplier of goods and services to federal, state and local government customers, as well as to the government's prime contractors, the Company may become subject to a host of special statutes, regulations and contract terms. The Company values its government customers, whether U.S. or abroad and whether federal, state or local. Doing business with the government is a public trust and requires consideration of a variety of procurement and ethics laws and regulations.

The Company will conduct business with its government customers in strict compliance with these requirements and in a manner that avoids even the appearance of any conflict of interest or impropriety. Each associate involved in business with governmental customers is expected to understand and follow the applicable procurement and ethics laws and regulations, along with corresponding Company policies. Any questions or concerns regarding these matters should be promptly raised with the legal department.

Among the rules or policies of government agencies that may apply to such governmental customers are:

- Limits on the giving of anything of value to a government employee;
- Requirements that the Company adhere to complex and lengthy governmental rules that may be "incorporated by reference" into standard government contracts but that are not repeated directly in the text of the contract;
- Pricing requirements; and
- Invoicing, certification, reporting and document storage and retention requirements.

Questions regarding what a given contract requires or relating to a request by a government official to take action that may be contrary to the terms of a contract, applicable law or Company policy should be directed to the legal department. The Company's Global Anti-Corruption Policy Statement and Compliance Guide, as well as the material below under the heading "Unlawful, Questionable or Sensitive Payments," provide additional detail regarding transacting business with the government.

## Unlawful, Questionable or Sensitive Payments

The Company does not seek to gain any advantage through the improper use of business courtesies or other inducements. Gifts and entertainment of nominal value, or business courtesies, are occasionally used to create goodwill with our customers, suppliers or others. On the other hand, there are very strict rules on gift giving and entertainment of government employees.

If gifts or entertainments make the recipient feel obliged to offer any special consideration to the Company, they are unacceptable. The Company's policy is to avoid even the appearance of favoritism based on business courtesies. In order to avoid even the appearance of improper payments, no payments are to be made by the Company in cash, other than approved cash payrolls and documented petty cash disbursements. No corporate checks are to be written to "cash," "bearer" or third-party designees of the person entitled to payment.

In addition to these general ethical concerns, the Company is subject to very specific and comprehensive laws and regulations affecting its ability to make payments or gifts or transfer other valuable items or services in U.S. or foreign transactions, such as the United States Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act.

The Company has adopted a Global Anti-Corruption Policy Statement and Compliance Guide that is separate from this Code and that provides additional relevant guidance.

**Bribery of Public Officials.** Bribery, or the giving of money or anything else of value in an attempt to influence the action of a public official, is unlawful. No associate is authorized to pay any bribe or make any other illegal payment to government officials on behalf of the Company, no matter how small the amount. This prohibition extends to payments to consultants, agents and other intermediaries when the employee has reason to believe that some part of the payment of the "fee" will be used for a bribe or otherwise to influence government action.

The practice of making "facilitating payments" (sometimes call "grease" payments) to a foreign official might not be considered to be bribery or otherwise improper according to the law or custom of some jurisdictions, and might even be permissible under the FCPA and certain other international anti-corruption laws. However, while customary and legal in some countries and under certain circumstances, these payments may be prohibited by the UK Bribery Act or other law, and may in any case present a risk of liability. Associates who consider making a grease payment or any other payment or gift to foreign officials must first consult with the legal department, which may approve lawful payments and gifts. Any such appropriately-approved payment or gift must be properly recorded and accounted for so that the Company may comply with all tax and other applicable laws.

Laws and regulations require our businesses to be in contact with public officials on a wide variety of matters. Associates dealing with public officials should be familiar with lobbying laws and public disclosure requirements, particularly those that apply to registrations and filings. The discussion above under the heading "Political Activities and Contributions" provides additional detail.

**Commercial Bribery.** Corruption is not limited to interactions with government officials. Payment (other than for purchase of a product or procurement of a service) or giving of a gift, credit, payment, service or anything else of other than token or nominal value to non-government suppliers or customers or their agents, employees or fiduciaries may constitute a commercial bribe, which may also be a violation of law. Cash payments may never be made to employees or associates of competitors, suppliers or customers. Commercial bribery is also against the policy of the Company; and no employee may engage in such bribery on behalf of the Company. Associates should exercise good judgment and moderation and should offer business courtesies to customers only to the extent that they are in compliance with law and in accordance with reasonable practices in the marketplace.

**All gifts and entertainment, regardless of their nature or value, must be properly recorded on expense report forms or other appropriate accounting document.**

### Hypothetical Scenario #25 – Unlawful, Questionable or Sensitive Payments

The President of the United States establishes a federal commission of inquiry regarding practices in one of the Company's industries. The President announces his intention to nominate a noted university professor to this commission. The professor has a background in the industry, and her university maintains a Center for Responsible Action relating to the industry in question. The Company has frequently donated to this Center, and decides to do so again after it is known that the professor has been nominated, but before she has accepted her new role as commissioner. Could the bribery statute apply?

- A. No, because the professor has not yet assumed her public office.
- B. No, because the "commission of inquiry" has no regulatory authority, and the professor is neither an elected official nor an employee of a government regulatory agency.
- C. No, because the gift is not to the professor herself.
- D. Yes, if there is additional evidence that the Company intended the professor to "overlook" acts committed by the Company as a result of the gift.
- E. No, because academics are always above reproach.

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**Answer: D** is the correct answer.

### Hypothetical Scenario #26 – Unlawful, Questionable or Sensitive Payments

The Company employs a business consultant in order to facilitate contracting for new projects in South and Central America. In one particular nation, the consultant reports that a government minister requires roundtrip tickets to the United States for the minister and his family. The minister states that he must ask for this "in case I wish to inspect the Company's production facilities." The minister tells the Company's consultant that he simply will not approve the importation of the Company's goods until such tickets are provided. Can the Company provide the tickets?

- A. No, because the Foreign Corrupt Practices Act prohibits paying money or anything of value in order to obtain or retain business.
- B. Yes, but only if the consultant provides the tickets, and the Company does not.
- C. No, because the rationale offered by the minister is not sufficiently related to routine governmental actions, such as licensing or processing documents.
- D. Yes, because the FCPA is only meant to cover monetary bribes disguised as fees.
- E. A and C.

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**Answer: E** is the correct answer. B is incorrect because the use of independent consultants to perform acts the Company could not legally perform does not cleanse the Company. D is incorrect because the FCPA expressly applies to anything of value, not just cash.



### Hypothetical Scenario #27 – Unlawful, Questionable or Sensitive Payments

The Company is attending a trade show in an emerging market country. The trade show director is the brother-in-law of the prime minister of the host country, and has no experience with either trade shows or the Company's products to be displayed at the show. Nevertheless, citing a purported regulation issued by his brother-in-law, the trade show director demands that the Company pay him a cash fee to "see and evaluate a demonstration of the product" before the Company can have access to the trade show. Further, it will be practically impossible to access the nation's market without access to the trade show. If the Company agrees, has it violated FCPA?

- A. Yes.
- B. Not if the US government fails to prove that local law or product demonstration were actually at issue.
- C. No, because participation in the trade show is not the same thing as obtaining actual business.
- D. Yes, unless the Company verifies the purported regulation and can prove the payment was legitimately made as part of demonstrating a product.
- E. No, because the Company deliberately avoided asking too many questions about established pattern and practice.

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**Answer: D** is the correct answer. Lawful payments with a legitimate business purpose are not prohibited, so long as they are consistent with reasonable practice in the marketplace and are not intended to influence the action of a government official. Any such payment must be properly recorded in Company books and records.

### Hypothetical Scenario #28 – Unlawful, Questionable or Sensitive Payments

The Company seeks to obtain a major project with a customer based in an emerging market country. The Company knows that a certain independent sales agent has been very successful in dealing with that buyer, and hires the agent. Prior to the celebratory dinner in connection with the landing of the order for the project, Suzy, the Company's sales manager, observes the sales agent passing a red envelope to the project manager of the customer. What should Suzy do?

- A. Nothing, because the sales agent is independent of the Company and any legal problems that might arise are the sales agent's problems, not those of the Company.
- B. Nothing, because Suzy can't be certain what is in the red envelope and it would be offensive under local culture to ask.
- C. Ask the sales agent what was in the envelope.
- D. Report the matter to the Company's legal department even if the sales agent assures Suzy that the red envelope was simply a birthday card for the project manager's son.

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**Answer: C and D** are the correct answers. Suzy puts both herself and the Company at risk by pretending she didn't see the red envelope being exchanged. Such willful blindness could be viewed as Suzy's "tacit consent" to the exchange of whatever was in the envelope. Suzy protects herself and the Company by asking the sales agent about the episode and then reporting to the Company's legal counsel at the earliest opportunity. Answer A is flatly wrong – the sales agent's problems will usually be also the Company's problems. See the discussion below under the heading 'USE OF INDEPENDENT SALES REPRESENTATIVES, AGENTS, CONSULTANTS, AND NON-EMPLOYEES.' B is wrong due to the "tacit consent" point discussed above.

### Hypothetical Scenario #29 – Unlawful, Questionable or Sensitive Payments

Upon a routine review as part of the Company's internal controls procedures, a new employee spots invoices from a logistics company reflecting contract amounts that don't match with other Company documents relating to the same projects. When the new employee asks her manager about the invoices, she is told that this is how business is done in that country, that the invoices reflect legal "grease payments," and that she'd be well advised to learn quickly. What should the new employee do?

- A. Nothing, because she is new to the job and she should respect the instruction of her superior.
- B. Nothing, because she can't be certain that it violates any law and she could be fired if she pushed the issue.
- C. Report the concerns to the Company's hotline, which she may do anonymously to the extent permitted by applicable law.
- D. Quit her job; life is too short.

**Answer: C** is the correct answer. The Company encourages prompt and candid reporting and would protect this employee against retaliation for her good faith reporting, even if it turns out that, under local law, there is nothing wrong with the conduct. She is entitled to work in an ethical environment.

## Employee Relations

It is the Company's philosophy that ethical business practices are not limited to dealings with third parties, but also include the Company's own associates. In this respect, business ethics begin at home. It is therefore the policy of the Company that all associates, including managerial personnel and all others having supervisory responsibilities, have an obligation:

- To respect each associate as an individual and to be courteous, considerate and fair to each associate in order that personal dignity may be maintained;
- To treat each associate, applicant, supplier or business associate without discrimination with regard to race, color, sex, age, religion, national origin, ethnicity, disability, veteran status or any other characteristics as established by law with respect to all opportunities, terms, conditions and privileges of employment;
- To provide all associates with a work environment free from harassment of any kind, including harassment of a sexual, racial, ethnic or religious nature or on the basis of one's age or disability;
- To encourage associates to voice their opinions freely about the policies and practices of the Company, and to provide an orderly system by which associates will be given consideration of any job or personal problem which they may have;
- To provide and maintain safe, clean and orderly work facilities and areas;
- To offer competitive standards of pay and benefits; and
- To operate in compliance with all applicable U.S., state, local and foreign laws governing the Company's relationship with its associates.

You should be aware that U.S. law forbids discrimination in employment on the basis of race, color, sex, age, religion, national origin, ethnicity, veteran status, disability or handicapped status. Awareness of concerns or discovery of discriminatory or other events that are or may be in violation of the law or this Code should immediately be reported to your manager, supervisor, Company lawyer or any of the members of your company's Ethics Committee.

## Environmental, Health and Safety Compliance

The Company's operations, and in particular its manufacturing plants, are subject to comprehensive regulations, including comprehensive U.S., state, local and foreign environmental regulation. The Company's facilities are subject to construction and operating permits and authorizations that describe in detail the conditions under which the facilities can be legally operated. It is the Company's policy to comply fully with the lawful terms and conditions of all permits and authorizations and with the provisions of all applicable environmental laws and regulations. The U.S. Occupational Safety and Health Act regulates both physical safety and exposure to harmful or hazardous substances in the workplace. In addition, the U.S. Toxic Substances Control Act regulates all chemical substances or mixtures that may present an unreasonable risk of injury to human health or the environment. Compliance with these statutes and implementing regulations is also the responsibility of the manager of each facility. The environmental and safety and health laws, and applicable regulations, are detailed and complex and vary widely from jurisdiction to jurisdiction. Should you be faced with an environmental or safety and health issue with which you are unfamiliar, you should contact legal counsel.

### Hypothetical Scenario #30 – Environmental, Health and Safety Compliance

Kara works in a Company manufacturing facility in Switzerland. There is an opportunity to improve manufacturing time if a change in the finishing process is implemented. However, this new process will result in a new waste product. Kara is not familiar with disposal guidelines or environmental regulation of discharge of this new waste product into the waste water. Kara is keen to implement the change to the manufacturing process at the earliest time. Kara should:

- A. Proceed to implement the new process at the earliest because productivity is a high priority.
- B. Assume that disposal is not a problem, because if it was the company that recommended the process would have included that information.
- C. Seek clarification from the legal department before implementing the new process.
- D. Focus on modernization and productivity and let legal issues sort themselves out later.

**Answer: C** is the correct answer. The environmental regulations that apply to the Company's operations are complex and change frequently, and vary across jurisdictions. Company associates may at times feel unfamiliar with the details of the regulations and their impact on operations or decisions within associates' responsibilities, at every level within the Hillenbrand organization. Under those circumstances it is incumbent upon the associate to flag the concern to the legal department. Proceeding despite unfamiliarity with the current legal requirements can lead to significant non-compliance that may be heavily penalized or may jeopardize valuable customer relations. Company associates should actively seek clarification or guidance from legal counsel whenever the associate feels tempted to "assume it's not a problem" or "let the legal issues sort themselves out later" or say that "it has not been an issue before."

### Hypothetical Scenario #31 – Environmental, Health and Safety Compliance

Wayne is responsible for preparing reports of emission monitoring data at a Company facility in New Jersey. Wayne is out sick for three days, and as soon as he returns to work he realizes a report he regularly files with the U.S. Environmental Protection Agency (EPA) is due by the end of the day. Wayne doesn't want to miss the deadline, but doesn't have time to complete the reports for the three days he was out. He decides to omit the data for those three days. Wayne is:

- A. Right because this data is gathered voluntarily and in greater detail than required by the EPA.
- B. Wrong because failing to report data accurately and completely can have significant negative repercussions for the Company.
- C. Right because only three days data is missing, all the other data is included.
- D. Wrong because failing to report data accurately and completely can have significant negative repercussions for the Company. Wayne should consult the legal department about the possible delay in filing and solve the issue of late filing.

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**Answer: B is correct, but D** is the more complete correct answer. Filings must be accurate and complete in every respect. Failing to report data accurately and completely can have significant negative repercussions on the Company and should be considered in consultation with legal department. You must avoid "finessing" an issue in a filing in order to avoid a regulatory hurdle because doing so can render an entire submission misleading and can legally restrict the Company's ability to rely upon any governmental decisions or actions taken in response to the filing. Likewise, you should beware of conveniently "ignoring" unfavorable monitoring or other data on the theory that subsequent data is "better" or that the data was gathered voluntarily and need not be disclosed.

### Hypothetical Scenario #32 – Environmental, Health and Safety Compliance

Ben has just returned from an industry conference and is eager to change the operations involved in one of the Company's most expensive and time consuming manufacturing procedures. This change will not result in any noticeable change in the product; however, Ben does not know if it will cause any change in air emissions. Ben does not want to waste any time on regulatory approval and wants to put the new procedure in place without any delay. What should Ben do?

- A. Ben should proceed with the change because it will most likely not be noticed and thus there is no need to bother with regulatory approval by the EPA.
- B. Ben should consult with the legal department to ensure that this change will not put the Company in non-compliance, and take appropriate measures to avoid non-compliance.
- C. Ben should proceed because time is money and any time spent getting regulatory approval or studying the effect of the process on regulatory compliance is money wasted.

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**Answer: B** is the correct answer. The likelihood that a change in operation or a product modification will not be "noticed" must not cloud the necessity for careful consideration of regulatory requirements. Ben should remain cognizant of the fact that operational changes frequently require advance notice to regulatory officials and often may not be initiated until the authorities have given preliminary approval. Efficient and confident business planning is essential to the financial health of the Company; thus, taking stock of regulatory issues is a necessary part of ensuring that the Company's plans will work as intended, without unforeseen risks or complications.

### Hypothetical Scenario #33 – Environmental, Health and Safety Compliance

Joe and Sam have been at the Company for fifteen years. Gary is a new associate who insists on following the safety protocols to the letter. Joe and Sam are amused because they know that there is no need to be so particular, because they know that these protocols were written by persons who have no experience doing what Joe and Sam do. What should Gary do?

- A. He should do as Joe and Sam do, because they have been on the job for so long, they know better than the authors of the safety manual.
- B. He should notify a senior supervisor and the Ethics Committee of the company he works for.
- C. He should be macho like Joe and Sam.
- D. He should follow Joe and Sam's lead, because his supervisor would probably just laugh at him.

**Answer: B** is the correct answer. "That's the way we've always done it" must not be allowed to justify working conditions or activities that are dangerous or may conflict with good business practice or the law. It is every Company associate's responsibility to flag these conditions and practices to the appropriate Ethics Committee, to a senior supervisor, or to the legal department so that appropriate action can be taken. For example, safe and proper storage and handling of dangerous materials is critical for the well-being of all associates. Cavalier or "macho" behavior with potentially dangerous materials or processes has no place at the Company. Similarly, from a management perspective, the concerns and complaints of all associates about environmental, safety and other regulatory matters require serious and prompt attention and must not be dismissed or ignored.

### International Trade Laws

The Company and its associates are subject to, and will comply with, all export control and import laws and regulations that govern the exportation and importation of commodities and technical data. The Company will not do business with prohibited persons or entities. It will obtain requisite export licenses and other government approvals prior to exporting products and technology controlled by the U.S. or a foreign government. Failure to comply with any of these laws could result in heavy fines or the loss or restriction of the Company's export or import privileges, which, in turn, could seriously and adversely affect the Company's business.

The Company and its associates must be aware of and follow applicable law regarding participation in international trade boycotts. Many countries have laws that require a company to either refuse, or not to refuse, to do business with a particular country, its companies or its citizens. For instance, U.S. laws generally prohibit U.S. companies and their foreign subsidiaries from cooperating with international boycotts not sanctioned by the U.S. government. These laws can be confusing, especially in cases where they conflict with one another. Associates involved in conducting business across borders should be familiar with all applicable law and all policies adopted from time to time by the Company or its subsidiaries. Always contact the legal department when you need to address a boycott or antiboycott issue.

The Company intends to remain in compliance with all applicable laws regulating trade and investment, as well as the foreign policy considerations of the United States and other nations in which we operate. The Company will from time to time adopt policies and advisories in this regard, which policies and advisories may govern not only the Company and its subsidiaries but also joint ventures and affiliates worldwide.

### Hypothetical Scenario #34 – International Trade Laws

The Company seeks to provide certain products to a buyer based in the Middle East. The buyer provides a standard purchase order which requires the Company to provide information on any business contacts the Company has with the State of Israel. Does doing so violate the Export Administration Act and the Tax Reform Act of 1976?

- A. No, because these statutes are only violated if the Company agrees to participate in an actual boycott as a precondition of doing business.
- B. Yes.
- C. No, because a company is always able to simply provide information, particularly given constitutional protections.
- D. No, because the statutes only apply if letters of credit are conditioned on boycott compliance.
- E. Not if the purchase order is between the buyer and a foreign affiliate of the Company.

Answer: B is the correct answer.

### Disclosure; Books and Records

The Company maintains controls and procedures (“disclosure controls and procedures”) designed to ensure that information required to be disclosed by the Company in the reports it files with the United States Securities and Exchange Commission (SEC) is recorded, processed, summarized and reported within the required time periods. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files with the SEC is accumulated and submitted to the Company’s management to allow timely decisions regarding required disclosure. The Company also maintains a process (“internal control over financial reporting”) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Each associate involved in the Company’s disclosure process or financial reporting is required to be familiar with and comply in all respects with the Company’s disclosure controls and procedures and internal control over financial reporting.

As described above under the heading “Unlawful, Questionable or Sensitive Payments,” the Foreign Corrupt Practices Act (FCPA) makes it illegal to obtain or retain business through payments to improperly influence foreign officials and governments. The FCPA is not limited, however, to businesses operating abroad, nor to the making of illegal foreign payments. In addition to its focus on acts of corruption, it contains, in fact, significant internal accounting control and record-keeping requirements that apply to all of our operations. Specifically, the Company under the FCPA must maintain books, records and accounts in reasonable detail to accurately and fairly reflect all of the Company’s transactions.

The Company and its subsidiaries will maintain a system of internal accounting controls sufficient to reinforce policy compliance and provide reasonable assurance that:

- Transactions are executed in accordance with management’s general and specific authorization;
- Transactions are recorded as necessary (a) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (b) to maintain accountability of assets;
- Access to Company assets and funds is permitted only in accordance with management’s general or specific authorization;
- The accounts recorded on the Company’s balance sheet are reconciled to the underlying accounting detail at reasonable intervals and, where appropriate, compared to the physical assets; and
- Appropriate actions are taken with respect to significant differences.

These record-keeping requirements are in addition to all other Company financial policies. No associate will knowingly fail to implement a system of appropriate internal controls or falsify any book, record or account.

All associates are strictly responsible for ensuring the accuracy and reliability of the Company’s accounts. As a result, all associates are responsible for following Company procedures for carrying out and reporting business transactions, including appropriate schedules of authorization controls. It is the policy of the Company that all books and records conform to generally accepted accounting principles in each of the respective countries in which Hillenbrand or its subsidiaries may do business, and to all applicable laws and regulations. In addition to the matters above specifically addressed, this policy also incorporates the following requirements:

- The Company’s policy prohibits the existence or creation of any undisclosed, secret or unrecorded funds, assets or liabilities.
- No payment on behalf of the Company will be approved or made with the intention or understanding that any part of the payment is to be used for purposes other than described by the documents supporting the payment.
- No false or fictitious entries will be made in the financial statements or underlying financial records and no employee shall engage in any arrangement that results in such an act.
- The Company’s policies prohibit the use of Company assets or funds for purposes other than specifically authorized by management.
- All associates are forbidden to use, authorize or condone the use of “off the books” bookkeeping, secret accounts, unrecorded bank accounts, “slush” funds, falsified

books, or any other device that could be utilized to distort accounts, records or reports of the Company.

- Any false, fictitious or misleading accounting entry made to conceal or disguise any “unlawful or questionable payment” described in these standards is prohibited. A false, fictitious or misleading accounting entry is one that is not posted to the proper account.
- Over-billing practices in international transactions which are designed and used unlawfully to transfer assets from one country to another are prohibited.

The policy of accurate and fair recording also applies to an employee’s maintenance of time reports, expense accounts and other personal Company records.

## **USE OF INDEPENDENT SALES REPRESENTATIVES, AGENTS, CONSULTANTS AND NON-EMPLOYEES**

This Code and other Company policies are mandatory. Compliance with this Code is expected of not only all associates, but also all Company agents, consultants, contractors and other non-employees. Agents, consultants, contractors or others cannot be used, directly or indirectly, to circumvent this Code, the law or our policies. Associates should assume that the acts, omissions or misdeeds of, for example, independent sales agents or representatives are imputed to the Company, at least as a reputational matter if not a legal matter. Associates must not retain third parties to engage in practices that are contrary to this Code or applicable law or regulation.

## **REPORTING ILLEGAL OR UNETHICAL BEHAVIOR; ACCOUNTABILITY**

We must report violation of laws, regulations or these standards and guidelines on ethical business conduct. The Company actively supports ethical behavior. When not certain of the best course of action in a specific situation, you should seek clarification and help from supervisors, managers and appropriate personnel.

The Company will not tolerate any attempt by any associate to retaliate against another as a result of good faith reports of illegal or unethical behavior. Federal law provides whistleblower protection for associates. Thus, any associate is prohibited from discharging, demoting, suspending, or in any manner threatening, harassing or discriminating against an associate who provides information about violation of the law or this Code, or assists in the investigation of violation of the law or this Code, or participates in bringing or brings a lawsuit.

Discovery of events of a questionable, fraudulent or illegal nature or that are, or may be, in violation of the standards and guidelines stated in this Code or other Company policies should be reported immediately as discussed above under the heading “Addressing Concerns and Violations.” Failure to report an existing or potential violation of this Code is itself a violation of this Code.

Violations and potential violations of this Code involving a director, an executive officer or any member of an Ethics Committee will be reported to the Audit Committee of the Hillenbrand Board of Directors. In addition, violations and potential violations of this Code involving incidents of (i) auditing, accounting, internal controls or financial improprieties or fraud; or (ii) ethics concerns or illegal acts involving a director, an executive officer or any member of an Ethics Committee; or (iii) material violations of the securities laws or breaches of fiduciary duty will be reported to the Audit Committee. The Audit



Committee will take all appropriate action to investigate any violation or potential violation reported to it. If the Audit Committee determines that a violation involving a director, an executive officer or a member of an Ethics Committee has occurred or may occur, it may report the violation or potential violation to the Board of Directors. The Audit Committee or Board of Directors will take such disciplinary or preventive action as it deems appropriate, up to and including dismissal or, in the case of criminal conduct or other violations of law, notification of appropriate governmental authorities.

Violations and potential violations of this Code other than those reported to the Audit Committee will be reported to the appropriate Ethics Committee. The Ethics Committee will take all appropriate action to investigate any violation or potential violation reported to it. If the Ethics Committee determines that a violation has occurred or may occur, it will take such disciplinary or preventive action as it deems appropriate, up to and including dismissal or, in the case of criminal conduct or other violations of law, notification of appropriate governmental authorities. The Hillenbrand, Inc. Ethics Committee also will report any such violation or potential violation to the Audit Committee if it determines that the Audit Committee should be aware of such violation or potential violation.

## OTHER POLICIES

This Code contains only general information and guidelines. It is not intended to address all the possible applications of, or exceptions to, the general policies described in it. Other Company policies that are applicable to you supplement the Code. You should contact your business unit's legal counsel or human resource representative for these other policies. Since all associates are obligated to observe the requirements of applicable laws and regulations, failure to review any supplement or revision to our Code and other policies will not be an acceptable excuse for a failure to observe the requirements of any applicable law or regulation then in effect of which the associate had knowledge or reasonably should have had knowledge.