

MATTHEWS INTERNATIONAL CORPORATION

U.S. FOREIGN CORRUPT PRACTICES ACT COMPLIANCE POLICY

INTRODUCTION

Principles Underlying the United States Foreign Corrupt Practices Act (“FCPA”). The FCPA’s Anti-Bribery provision prohibits individuals and/or corporations from corruptly paying or offering to pay a bribe or anything of value to a foreign government official for the purpose of obtaining or retaining business. In addition, the *Books and Records* provision of the FCPA requires companies listed on a U.S. stock exchange to file with the Securities and Exchange Commission (the “SEC”) periodic reports that accurately reflect all business transactions and maintain effective internal financial controls.

It is the policy of Matthews International Corporation and its affiliates and subsidiaries (collectively, “Matthews”) to adhere to the highest ethical standards. Matthews is committed to maintaining its practices of principled conduct and to continue to enjoy its long standing reputation as a global company that delivers outstanding quality products while being fair and honest.

In order to comply with our commitment, Matthews has adopted a comprehensive FCPA Compliance Policy (the “Compliance Policy”). The Compliance Policy shall be strictly enforced, regularly monitored and routinely audited by Matthews.

Legal Penalties for FCPA Violations. Violations of the FCPA can result in significant criminal and civil penalties for Matthews and its employees, representative and third-party affiliates. Individuals convicted of violating the anti-bribery provisions of the FCPA may be subject to five (5) years imprisonment and a maximum fine of \$250,000.00 per violation. Individuals convicted of violating the Books and Records provisions of the FCPA are liable up to \$5 million and twenty (20) years imprisonment. Matthews also faces significant risks. Under the FCPA, corporations may incur fines of up to \$2 million per violation of the Anti-Bribery provisions and \$25 million for any violation of the Books and Records provisions of the FCPA.

The Compliance Policy

It shall be a violation of the Compliance Policy for any person or entity acting on Matthews’ behalf to offer, promise to pay, pay, or authorize the payment, directly or indirectly, of anything of value (such as a bribe or kickback) to a foreign government official, foreign political party, any public international organization, official or other person while knowing that all or a portion of the payment will be offered, given or promised to a foreign official to influence, reward or

assist such official in obtaining or retaining business, securing an improper advantage or in directing business to another person.

I. Scope

The Compliance Policy applies to all of Matthews' directors, officers, and employees, including individuals employed at domestic and foreign subsidiaries and joint venture partners; and any representative or agents doing business on behalf of Matthews (hereinafter collectively referred to as "Company Personnel"); *provided, however*, the Compliance Policy applies to Company Personnel only when acting on behalf of Matthews.

II. Duties and Obligations of Matthews' Company Personnel

In order to ensure that Matthews is adhering to the highest ethical standards, Company Personnel shall comply with the following requirements when acting on Matthews' behalf:

- A. Under no circumstances may Company Personnel make a political contribution on behalf of Matthews;
- B. Company Personnel shall comply with the laws of the United States and those of the countries in which Matthews conducts business when acting on behalf of Matthews; and
- C. Under no circumstances may Company Personnel make or offer, promise or authorize another to make any payment, provide any gift or item of value, regardless of the type or amount, to a foreign government official or personnel, even if it is legal in the applicable foreign country, for the purpose of obtaining or maintaining business on behalf of Matthews without the express authorization from the FCPA Committee.

In very special circumstances, a limited exception to the foregoing restriction may apply as follows:

- 1. Company Personnel may make a payment to a foreign official if exigent circumstances exist such as the need for police protection, urgent medical treatment or if Company Personnel or their family members are in imminent physical danger when acting on behalf of Matthews. If such a circumstance arises, Company Personnel must immediately contact their supervisor and Matthews' *Legal Department* (the "Legal Department") as soon as they are able and must document the occurrence. The Legal Department may, if warranted, contact the United States Embassy or other governmental department in the country where the event occurred.
- 2. Company Personnel may make a payment to a foreign official for the purpose of expediting or securing a routine governmental function ("Facilitation Payments"); **provided, however, Facilitation Payments are strongly discouraged by Matthews.** Accordingly, Company Personnel shall obtain the express written authorization from two (2) members of the FCPA Committee prior to making

Facilitation Payments and, thereafter, Facilitation Payments shall be appropriately documented consistent with pre-approved internal accounting standards of the Company as required under the Compliance Policy, including the designation of a separate account for Facilitation Payments.

D. No Company Personnel may cause a corrupt payment to be made to a third party with the intent or knowledge that the payment will ultimately be given to a foreign government official for the purpose of obtaining or maintaining business on behalf of Matthews.

1. Company Personnel shall comply with Matthews' internal procedures addressing charitable donations to any and all third parties on behalf of Matthews.
2. Company Personnel shall comply with Matthews' accounting and internal control policies which are incorporated by reference into the Compliance Policy when acting on behalf of Matthews.
3. Under no circumstances may Company Personnel create or maintain a secret or unrecorded fund when acting on behalf of Matthews.
4. Under no circumstances may Company Personnel make false or misleading entries in Matthews' books or the books of a foreign entity pertaining to Matthews' business.
5. Company Personnel shall provide supporting documentation when making or offering to make a payment to a foreign government official when acting on behalf of Matthews.
6. No Company Personnel may be paid in cash.
7. Payments to Company Personnel shall be made payable to the intended party and not to "cash" or "bearer".
8. Company Personnel shall be paid for actual services rendered and/or products purchased.
9. No payment to Company Personnel may be sent to an unrelated third party or country.
10. Company Personnel shall immediately report a suspected or actual violation of the Compliance Policy by contacting:

a. Any of the FCPA Committee members at:

David Beck, *Vice President and Controller* at 1-412-442-8269 or
beck@matw.com

Jennifer Ciccone, *Vice President, Corporate Human Resources* at 1-
412-442-8248 or ciccone@matw.com

Brian D. Walters, *Vice President and General Counsel* at 1-412-442-8217 or bwalters@matw.com

- b. The anonymous hotline at **1-877-333-6288**.

Under no circumstances shall Matthews retaliate against any Company Personnel for reporting suspected violations of the Compliance Policy.

11. Company Personnel shall complete and sign the anti-bribery certification certifying that they have not violated the Compliance Policy nor have knowledge of any violations of the Compliance Policy when acting on behalf of Matthews. False or incomplete certifications will be cause for termination of employment or may qualify as a breach of contract if committed by a third party or agent doing business on behalf of Matthews. It is the duty of the supervisor of Company Personnel to ensure that Company Personnel have timely executed the anti-bribery certification.
12. Company Personnel shall consult with the Legal Department of Matthews at 1-412-442-8217 if they have questions or doubts as to the propriety of an act.

III. Permissible Payments

- A. Some payments to foreign government officials are permissible if they are properly documented and pre-approved in writing by the FCPA Committee. The documentation must include the name, title of the organization, the value of the transfer, reasons for the transfer, and the identity of the beneficiaries.

The following payments are permissible:

1. Any transfer of value where the sole beneficiary is an organization and not an individual;
2. Payments for reasonable business expenses, such as, travel, lodging, and meals paid on behalf of foreign government officials and which directly relate to Matthews' promotion, demonstration, or explanation of its products or services or the execution or performance of a contract with a foreign government or agency;
3. Charitable donations which (a) benefit an entity, and not a particular individual; (b) if made in good faith and not for the purpose of obtaining or maintaining business; (c) are justified in writing; and (d) follow notification of an appropriate foreign government official; and
4. Payments made to foreign government officials that are permissible under the written laws of the foreign country in which Matthews is operating. Most countries, however, strictly prohibit bribery. Accordingly, prior to making a payment under this limited provision, the following is required: (a) written pre-approval from two (2)

members of the FCPA Committee; and (b) an opinion letter from an attorney licensed in the foreign country where the payment is being issued.

IV. Auditing and Monitoring

The Audit Committee of the Board of Directors of Matthews or their designated outside entity shall annually evaluate the Compliance Policy in order to ensure its enforcement and effectiveness. Matthews' Company Personnel shall, at all times, cooperate with Matthews' internal and external auditors by providing access to their books and records, documents and all information necessary to complete any evaluation and, if warranted, any formal audits. The results of any evaluation conducted by a designated outside entity shall be submitted to the FCPA Committee. Company Personnel and representatives or agents doing business on behalf of Matthews may be audited by an external accounting firm, by an internal audit team at Matthews and/or a law firm specifically authorized by Matthews as part of any evaluation process.

The evaluation process may include, but will not be limited to, the following:

- A. Evaluation of Company Personnel's compliance with the Compliance Policy;
- B. Review of contractual arrangements with representatives or agents doing business on behalf of Matthews and payments thereto;
- C. Review of expense vouchers and reports;
- D. Analysis of sample transactions;
- E. Interviews with selected Company Personnel and representatives or agents doing business on behalf of Matthews to identify compliance issues;
- F. On-site visits; and
- H. Review of the Compliance Policy reporting mechanisms maintained by Matthews.

The Compliance Policy shall also be monitored on a continuous basis. Monitoring activities may include periodic reviews of complaints and outcomes, personal interviews with Company Personnel and representatives or agents doing business on behalf of Matthews, and periodic reviews of documentation.

All auditing, monitoring and corrective actions shall be properly documented by Matthews. Changes to the Compliance Policy may be made by the FCPA Committee and, as such, Matthews reserves the right to amend the Compliance Policy. Significant violations of the Compliance Policy shall be reported to the Audit Committee of the Board Directors.

V. Sanctions

Matthews is committed to enforcing the Compliance Policy. Violation of the Compliance Policy, the FCPA or any anti-bribery laws in the United States or abroad, will result in sanctions, including termination, suspension, demotion, reduction in pay and reprimands. Additionally, failure to cooperate in the implementation of the Compliance Policy is also cause for discipline. Further, violations of the Compliance Policy by Company Personnel, representatives or agents doing business on behalf of Matthews may result in the termination and/or non-renewal of any existing contract with that representative and/or agent.

Examples of actions that may result in sanctions in addition to non-compliance with the Compliance Policy, the FCPA and other anti-bribery statutes are as follows:

- A. Failure to report a suspected or actual bribery;
- B. Falsifying any required FCPA Certifications; and/or
- C. Retaliating against a person for reporting a violation of the Compliance Policy or the FCPA.

Adherence to the Compliance Policy shall form part of the annual evaluation in determining compensation, promotion and retention of Company Personnel.

Matthews will not pay any fines or penalties imposed on any of its Company Personnel or representative or agents doing business on behalf of Matthews by any judicial bodies or enforcement agencies.