

Policy No: L-103

Subject: Export Controls and Economic Sanctions Compliance

Original Date: 11.01.16

Revision Date: New

Effective Date: 11.01.16

Current Version Approved By: Brian D. Walters, Vice-President and General Counsel

Owner: Legal

Scope: All employees within all Matthews International Corporation, including all subsidiaries and affiliates.

Purpose:

Export controls apply to the export, re-export, or transfer of items, technology, software, and services. U.S. export control laws, including the Export Administration Act and the Export Administration Regulations (“EAR”) apply to activities in the United States and to activities occurring outside the United States with respect to U.S.-origin items, technology, software, and services. These laws implement specific U.S. policies and legislation as well as various multilateral international agreements, including the Wassenaar Arrangement, which is the foundation for export control laws in more than 40 countries. The national governments of those countries where we operate may also have export control laws and regulations.

Economic sanctions generally prohibit trade with sanctioned countries, persons or entities, and in support of sanctioned activities. In the United States, sanctions are administered by the Office of Foreign Assets Control (“OFAC”) and generally prohibit trade with sanctions targets by U.S. companies, U.S. persons, wherever located, and in some cases by companies organized outside the United States that are owned or controlled by U.S. companies or persons. The United Nations, European Union, and various other multinational organizations also issue sanctions which are implemented through legislation or regulations by Member States.

These laws also have various recordkeeping, reporting, and notification requirements.

It is the policy of Matthews International Corporation and its affiliates and subsidiaries (collectively, “Matthews” and/or the “Company”) 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 ***Export Controls and Economic Sanctions Compliance Policy*** (this “Policy”). This Policy shall be strictly enforced, regularly monitored and routinely audited by Matthews.

Scope:

This 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”).

Administration of this Policy:

The Legal Department is responsible for the administration and distribution of this Policy and shall maintain legal records in compliance with all applicable laws and regulations. If employees have any questions regarding this Policy, please contact the Legal Department at:

- Brian Walters – bwalters@matthewsintl.com – 1-412-442-8217
- Richard Bartley – rbartley@matthewsintl.com – 1-412-442-8201
- Erin Black – eblack@matthewsintl.com – 1-412-442-8238

Directors, managers and supervisors are responsible for adherence to these practices within their department and/or business unit.

Policy No: L-103

Subject: Export Controls and Economic Sanctions Compliance

Original Date: 11.01.16

Revision Date: New

Effective Date: 11.01.16

Current Version Approved By: Brian D. Walters, Vice-President and General Counsel

Owner: Legal

Scope: All employees within all Matthews International Corporation, including all subsidiaries and affiliates.

Legal Penalties for Export Controls and Economic Sanctions Violations:

Violations of export controls and economic sanctions may result in significant criminal, civil, and administrative penalties for Matthews and its employees, representatives, and third-party affiliates. Persons convicted of export control and sanctions violations may be subject to twenty (20) years of imprisonment and a maximum fine of \$500,000 to \$1,000,000, per violation. Penalties may also include a loss of export privileges, debarment from government contracting, freezing of assets, and significant reputational risk among other consequences.

This Policy:

It shall be a violation of this Policy for any person or entity acting on Matthews' behalf to engage in any activities, directly or indirectly, that would result in a violation of applicable export controls or economic sanctions.

Duties and Obligations of Matthews' Company Personnel:

In order to ensure that Matthews is adhering to all applicable export control and economic sanctions, Company Personnel shall comply with the following requirements:

- a. Under no circumstances may Company Personnel go forward with an export, re-export, transfer or other activity with knowledge or reason to know that a violation of applicable export controls or sanctions may occur.
- b. Under no circumstances may Company Personnel go forward with any transaction or activity directly or indirectly relating to the following countries without the express written confirmation from Matthews' Legal Department that the transaction or activity is authorized by applicable law:
 - i. Cuba
 - ii. Iran
 - iii. North Korea
 - iv. Sudan
 - v. Syria
- c. Under no circumstances may Company Personnel go forward with any transaction or activity directly or indirectly relating to the disputed region of Crimea without the express written confirmation from Matthews' Legal Department that the transaction or activity is authorized by applicable law.
- d. Under no circumstances may Company Personnel go forward with any transaction or activity in support of any end use that has been subject to applicable sanctions.
- e. Under no circumstances may Company Personnel go forward with any transaction or activity directly or indirectly involving a person who has been subject to applicable sanctions.
- f. Company Personnel must immediately report any suspicion or knowledge that a violation of export controls or sanctions has occurred or may occur if a transaction goes forward to Matthews' General Counsel.
- g. Company Personnel must ensure that accurate and complete information regarding customers, suppliers, vendors, end users, and other third parties involved in our transactions are reflected in associated documentation, including shipping, sales, and order records.
- h. Company Personnel must identify and report any "red flags" identified in the course of business to Matthews' General Counsel to enable appropriate vetting of the business. See Appendix A.

Policy No: L-103

Subject: Export Controls and Economic Sanctions Compliance

Original Date: 11.01.16

Revision Date: New

Effective Date: 11.01.16

Current Version Approved By: Brian D. Walters, Vice-President and General Counsel

Owner: Legal

Scope: All employees within all Matthews International Corporation, including all subsidiaries and affiliates.

-
- i. Company Personnel may cooperate and support any request from the Legal Department, its designees, or other Operational Departments which may require your assistance in the course of ensuring proper controls to verify or maintain full compliance with applicable export controls and sanctions.
 - j. Company Personnel will report to Matthews' General Counsel any request that they receive to comply with an unsanctioned foreign boycott, including the Arab League boycott of Israel. See Appendix B.
 - k. Company Personnel shall comply with Matthews' internal procedures addressing the export, re-export, and transfer of items, technology, software, and services.
 - l. Company Personnel must review internal compliance procedures for export controls and sanctions when engaging in any business in the following countries: Belarus, Burma (Myanmar), Burundi, Central Africa Republic, Cote d'Ivoire (Ivory Coast), Democratic Republic of the Congo, Iraq, Lebanon, Liberia, Libya, Somalia, South Sudan, Ukraine, Russia, Venezuela, Yemen and Zimbabwe.
 - m. Company Personnel must notify the Matthews' Legal Department before engaging in any business directly or indirectly relating to military or nuclear end uses or end users.
 - n. Company Personnel shall at all times comply with applicable export controls and sanctions.

Under no circumstances shall Matthews retaliate against any Company Personnel for reporting suspected or actual violations of this Policy.

Sanctions:

Matthews is committed to enforcing this Policy. Violations of this Policy, the EAR, OFAC sanctions, or other applicable export controls and sanctions, will result in sanctions, including termination, suspension, demotion, reduction in pay and reprimands. Additionally, failure to cooperate in the implementation of this Policy or Matthews' efforts to comply with these laws is also cause for discipline. Further, violations of this Policy by Company Personnel, including 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 or agent.

Examples of actions that may result in sanctions in addition to non-compliance with this Policy and applicable export controls and sanctions include:

- a. Providing incorrect or incomplete information regarding the parties involved in an export transaction;
- b. Failing to follow internal procedures adopted pursuant to this Policy;
- c. Failing to report suspected or actual violations or "red flags";
- d. Engaging in business in Iran or other sanctioned countries without the express written confirmation of the legality of the business by Matthews' Legal Department; and
- e. Retaliating against a person for reporting a violation of this Policy or applicable law.

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 by any judicial bodies or enforcement agencies.

Policy No: L-103

Subject: Export Controls and Economic Sanctions Compliance

Original Date: 11.01.16

Revision Date: New

Effective Date: 11.01.16

Current Version Approved By: Brian D. Walters, Vice-President and General Counsel

Owner: Legal

Scope: All employees within all Matthews International Corporation, including all subsidiaries and affiliates.

APPENDIX A – “RED FLAGS”

Company Personnel shall report any “red flags” to the Matthews’ Legal Department. A “red flag” is a suspicious or unusual circumstance which may cause you concern or lead you to believe that the law may be violated if a transaction goes forward. Examples of “red flags” include:

- a. The customer or its address is similar to one of the parties found on lists of sanctioned persons.
- b. The customer or purchasing agent is reluctant to offer information about the end-use of the item.
- c. The product’s capabilities do not fit the buyer’s line of business, such as an order for sophisticated computers for a small bakery.
- d. The item ordered is incompatible with the technical level of the country to which it is being shipped, such as semiconductor manufacturing equipment being shipped to a country that has no electronics industry.
- e. The customer is willing to pay cash for a very expensive item when the terms of sale would normally call for financing.
- f. The customer has little or no business background.
- g. The customer is unfamiliar with the product’s performance characteristics but still wants the product.
- h. Routine installation, training, or maintenance services are declined by the customer.
- i. Delivery dates are vague, or deliveries are planned for out of the way destinations.
- j. A freight forwarding firm is listed as the product’s final destination.
- k. The shipping route is abnormal for the product and destination.
- l. Packaging is inconsistent with the stated method of shipment or destination.
- m. When questioned, the buyer is evasive and especially unclear about whether the purchased product is for domestic use, for export, or for re-export.

Policy No: L-103

Subject: Export Controls and Economic Sanctions Compliance

Original Date: 11.01.16

Revision Date: New

Effective Date: 11.01.16

Current Version Approved By: Brian D. Walters, Vice-President and General Counsel

Owner: Legal

Scope: All employees within all Matthews International Corporation, including all subsidiaries and affiliates.

APPENDIX B – EXAMPLES OF BOYCOTT REQUESTS

Company Personnel must report to Matthews' General Counsel any request that they receive to comply with an unsanctioned foreign boycott, including the Arab League boycott of Israel. Boycott requests are most frequently received from the following countries:

Bahrain	Saudi Arabia
Iraq	United Arab Emirates
Republic of Yemen	Oman
Qatar	Kuwait
Lebanon	Libya
Syria	

The following are examples of boycott requests:

- a. **Prohibited Boycott Condition in a Purchase Order:** "Following statement should appear at foot of invoice: 'We hereby certify that these goods are not of Israeli Origin nor do they contain materials of Israeli origin and they are manufactured by...'"
- b. **Prohibited Boycott Condition in a Purchase Order:** "In the case of overseas suppliers, this order is placed subject to the suppliers being not on the Israel boycott list published by the central Arab League."
- c. **Reportable boycott condition in an importer's purchase order:** "Goods of Israeli origin not acceptable."
- d. **Reportable boycott condition in a letter of credit:** "A signed statement from the shipping company, or its agent, stating the name, flag and nationality of the carrying vessel and confirming ... that it is permitted to enter Arab ports."
- e. **Prohibited Boycott Condition in a Contract:** "Israeli Clause: The Seller shall not supply goods or materials which have been manufactured or processed in Israel nor shall the services of any Israeli organization be used in handling or transporting the goods or materials."
- f. **Prohibited Condition in a Contract:** "The Contractor shall comply in all respects with the requirements of the laws of the State of Bahrain relating to the boycott of Israel. Goods manufactured by companies blacklisted by the Arab Boycott of Israel Office may not be imported into the State of Bahrain and must not be supplied against this Contract. For information concerning the Boycott List, the Contractor can approach the nearest Arab Consulate."
- g. **Prohibited Condition in a Letter of Credit:** "Buyer shall in no way contravene the regulations issued by Bahrain Government and or Israel Boycott Office. Buyer shall not nominate a vessel blacklisted by the said office."
- h. **Prohibited Condition in a Tender:** "The supplier must comply with the Israel boycott conditions."
- i. **Prohibited Condition in a Tender:** "All goods to be supplied as a part of this order must comply with the Israel boycott rules stipulated by the Royal Oman Police."