

Matthews International Corporation

Policy on Insider Trading

Effective as of January 1, 2016

PART I
OF THE POLICY ON INSIDER TRADING

THIS PART I OF THE POLICY ON INSIDER TRADING (THE “POLICY”) APPLIES TO ALL OFFICERS AND EMPLOYEES OF MATTHEWS INTERNATIONAL CORPORATION (THE “COMPANY”) AND ITS SUBSIDIARIES AND THE BOARD OF DIRECTORS OF THE COMPANY

1. **Persons Subject to the Policy**

This Part I of this Policy applies to **all** officers of the Company and its subsidiaries, members of the Company’s Board of Directors and employees of the Company and its subsidiaries. From time to time, the Compliance Officer (as hereinafter defined) may determine that other persons should be subject to Part 1 of this Policy, such as consultants who have access to material nonpublic information.

2. **Purpose**

As an essential part of your work, many of you have access to material, nonpublic information concerning the Company and its subsidiaries and its business. The purpose of this Policy is to provide guidelines with respect to transactions in the Company’s securities (collectively referred to in this Policy as “Company Securities”) and the handling of confidential information about the Company, as well as other companies with which the Company does business. The Company’s Board of Directors has adopted this Policy to promote compliance with federal, state and foreign securities laws that prohibit certain persons who are aware of material nonpublic information about a company from: (i) trading in securities of that company; or (ii) providing material nonpublic information (i.e., tips or recommendations) to other persons who may trade on the basis of that information.

3. **Transactions Subject to this Policy**

This Policy applies to all transactions in Company Securities, including transactions in the Company’s common stock, options to purchase common stock, or any other type of securities that the Company may issue, including (but not limited to) preferred stock, convertible notes, bonds and warrants, as well as any derivative securities related to Company Securities, whether or not issued by the Company. Certain limited exceptions to this Policy are indicated below in Section 9, “Transactions For Which this Policy Does Not Apply.”

4. **Individual Responsibility**

You have ethical and legal obligations to maintain the confidentiality of information about the Company and to refrain from engaging in transactions in Company Securities while in possession of material nonpublic information. In this regard, you are responsible for ensuring that you comply with this Policy, or entity whose transactions are subject to this Policy, as discussed below, also complies with this Policy. In addition, you shall be expected, at all times, to exercise reasonable care and vigilance in safeguarding and securing any information that may be considered as material, confidential and/or non-public.

In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual. Any action by the Company, the Compliance Officer or any other employee or director of the Company pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company for conduct that is prohibited by this Policy or applicable securities laws, as described in greater detail below under Section 11, “Consequences of Violations.”

5. **Administration of the Policy**

The Company’s General Counsel shall serve as the Compliance Officer for the purposes of this Policy and, in his absence, the Company’s Chief Financial Officer or another employee designated by the Compliance Officer shall be responsible for administration of this Policy. All determinations and interpretations by the Compliance Officer shall be final and not subject to further review.

6. **Statement of Policy**

It is the Company’s policy that if you become aware of material nonpublic information related to the Company, you may not:

- a. engage in transactions in Company Securities, except as otherwise specified in this Policy under Section 9, “Transactions For Which This Policy Does Not Apply.”
- b. recommend the purchase or sale of any Company Securities;

- c. disclose material nonpublic information to persons within the Company whose jobs do not require them to have that information, or outside of the Company to other persons, including, but not limited to, family, friends, business associates, investors and expert consulting firms, unless any such disclosure is made in accordance with the Company's policies regarding the protection or authorized external disclosure of information regarding the Company; or
- d. assist anyone engaged in the above activities.

In addition, if in the course of working for the Company you become aware of material nonpublic information about a company with which the Company does business (e.g., a customer or supplier of the Company), you cannot trade in that company's securities until such information becomes public or is no longer material.

Except as specified herein, there are no exceptions to this Policy. Transactions that may be necessary or justifiable for independent reasons (i.e., the need to raise money for an emergency expenditure), or small transactions, are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances, and even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

7. **Definition of Material Nonpublic Information**

Material Information. Information is considered "material" if a reasonable investor would consider that information important in making a decision to buy, hold or sell securities. *Any information that could be expected to affect the Company's stock price, whether it is positive or negative, should be considered material.* While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- a. projections of future earnings or losses, or other earnings guidance, including changes to previously-announced earnings guidance;
- b. proposals, plans, or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, joint ventures, restructurings, recapitalizations, strategic alliances, or purchases or sales of significant assets;
- c. significant related party transactions;

- d. changes in dividend policy or the declaration of a stock split;
- e. public offerings of additional securities;
- f. bank borrowings or other financing transactions outside of the ordinary course of business;
- g. establishment or amendment of a repurchase program for Company Securities;
- h. changes in management;
- i. major changes in personnel;
- j. development of a significant new product or service;
- k. information relating to major merchandising initiatives;
- l. pending or threatened significant litigation, or the resolution of such litigation; or
- m. gain or loss of a significant customer or supplier.

Material information is not limited to historical facts, but also may include projections and forecasts. With respect to a future event, the point at which events are determined to be material is evaluated by balancing (i) the probability that the event will occur against (ii) the magnitude of the effect that the event would have on a company's operations or stock price, should it occur. Thus, information concerning an event that would have a large impact on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small.

When Information is Considered Public. Information that has not been disclosed to the public generally is considered to be nonpublic information. In order to establish that the information has been disclosed to the public, the information must have been widely disseminated in a manner designed to reach investors generally (i.e., posting on a company website, or a filing with the SEC's EDGAR system) and investors must be given the opportunity to absorb the information. By contrast, nonpublic information may include: (i) information available only to a select group of analysts, brokers, or institutional investors; (ii) undisclosed facts that are the subject of rumors; and (iii) information that has been entrusted to the Company

on a confidential basis until a public announcement has been made and enough time has elapsed for the market to respond; i.e., the second business day after the information was publicly released. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific material nonpublic information.

If you have doubt about whether particular non-public information is material, you should consult with the Compliance Office before making any trading decision. Similarly, if you are not sure whether information is considered public, you either should consult with the Compliance Officer, or presume that the information is nonpublic and treat it as confidential.

8. **Transactions by Entities that You Influence or Control**

This Policy also applies to any entities that you influence or control, including any corporations, partnerships or trusts (collectively referred to as “Controlled Entities”), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

9. **Transactions For Which This Policy Does Not Apply**

This Policy does **not** apply in the case of the following transactions, except as specifically noted:

- a. **Stock Option Exercises.** This Policy does not apply to the exercise of an employee stock option acquired pursuant to the Company’s plans, or to the exercise of a tax withholding right where you elect to have the Company withhold shares subject to an option to satisfy tax withholding requirements. However, this Policy does apply to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.
- b. **Restricted Stock Awards.** This Policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right where you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. Note, however, that the Policy does apply to any market sale of restricted stock.
- c. **401(k) Plan.** This Policy does not apply to purchases of Company Securities in the Company’s 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. This Policy does apply, however, to certain elections you may make under the 401(k) plan, including: (a) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund; (b) an election to make an intra-plan transfer of an existing account

balance into or out of the Company stock fund; (c) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance; and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

- d. Employee Stock Purchase Plan. This Policy does not apply to purchases of Company Securities in the employee stock purchase plan resulting from your periodic contribution of money to the plan pursuant to the election you made at the time of your enrollment in the plan. This Policy also does not apply to purchases of Company Securities resulting from lump sum contributions to the plan, provided that you elected to participate by lump sum payment at the beginning of the applicable enrollment period. This Policy does apply, however, to your election to participate in the plan for any enrollment period, and to your sales of Company Securities purchased pursuant to the plan.
- e. Other Similar Company Transactions. Any other purchase of Company Securities from the Company or sales of Company Securities to the Company are not subject to this Policy.
- f. Bona Fide Gifts of Securities. Gifts of securities are not transactions subject to this Policy, unless you have reason to believe that the recipient intends to sell the Company Securities while you are in possession of material, nonpublic information.
- g. Rule 10b5-1 Plans. Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in Company Securities that meets certain conditions specified in the Rule (a “Rule 10b5-1 Plan”). If the plan meets the requirements of Rule 10b5-1, Company Securities may be purchased or sold under the Rule 10b5-1 Plan without regard to certain insider trading restrictions. To comply with this Policy, a Rule 10b5-1 Plan must have been reviewed and approved by the Compliance Officer at least 10 days before any trades made by made under the plan. Additionally, a Rule 10b5-1 Plan must not be entered into, and may not be modified, at a time when the person entering into or modifying the plan is aware of material, nonpublic information. Once the Rule 10b5-1 Plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded, or the date of the trade. Therefore, the Rule 10b5-1 Plan must either specify the amount, pricing and timing of transactions in advance, or else delegate discretion on these matters to an independent third party.

10. **Prohibited Transactions**

The Board of Directors of the Company believes that it is inappropriate for persons covered by this Policy to engage in any short-term or speculative transactions involving Company Securities, not only because of insider trading concerns but also because of the pejorative appearance created by the transactions and the potential repercussions with investors, regulations, and other market participants. As a result, this Policy prohibits you from engaging in the following transactions.

- a. **Short Sales**, or the sale of a security that the seller does not own, may evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller lacks confidence in the Company. In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. For these reasons, short sales of Company Securities are prohibited. In addition, Section 16 explicitly prohibits officers and directors from engaging in short sales.
- b. **Publicly-Traded Options**, including put options, call options or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy. Given the relatively short term of publicly-traded options, transactions in options may create the appearance that you are trading based on material nonpublic information and inappropriately focus your attention on short-term performance at the expense of long-term objectives.
- c. **Standing and Limit Orders**. Except under approved Rule 10b5-1 Plans, you may not enter into standing and limit riders, due to the lack of control over the timing of purchases or sales that result from standing instructions to a broker.

11. **Consequences of Violations**

Violations of this Policy and insider trading laws have serious consequences.

- a. **Legal Penalties**. A person who violates insider trading laws by engaging in transactions in a company's securities when he or she has material non-public information can be sentenced to a substantial jail term and required to pay a penalty of several times the amount of profits gained or losses avoided. In addition, a person who tips others also may be liable for transactions by the tippees to whom he or she has disclosed material nonpublic information. Tippers can be subject to the same penalties and sanctions as the

tippees, and the SEC has imposed large penalties even when the tipper did not profit from the transaction. The SEC also can seek substantial penalties from any person who, at the time of an insider trading violation, “directly or indirectly controlled the person who committed such violation,” which would apply to the Company and/or management and supervisory personnel. These control persons may be held liable for up to the greater of \$1 million or three times the amount of the profits gained or losses avoided. Even for violations that result in a small or no profit, the SEC can seek a minimum of \$1 million from a company and/or management and supervisory personnel as control persons.

- b. Company-Imposed Penalties. Employees who violate this Policy may be subject to disciplinary action by the Company, including dismissal for cause, whether or not the employee’s failure to comply results in a violation of law. Any exceptions to the Policy, if permitted, may only be granted by the Compliance Officer and must be provided before any activity contrary to the above requirements takes place.

12. **Company Assistance**

Any person who has a question about this Policy or its application to any proposed transaction may obtain additional guidance from the Compliance Officer, Brian D. Walters, who can be reached by telephone at 412-442-8217 or by e-mail at bwalters@matw.com.

POLICY CONTINUES ON FOLLOWING PAGE

PART II
OF THE POLICY ON INSIDER TRADING

THIS PART II OF THE POLICY APPLIES TO ONLY TO THE FOLLOWING PERSONS:

- **MEMBERS OF THE BOARD OF DIRECTORS;**
- **ANY OF THE COMPANY’S OFFICERS WHO ARE REQUIRED TO FILE REPORTS UNDER SECTION 16(A) OF THE SECURITIES EXCHANGE ACT (“SECTION 16 OFFICERS”);**
- **THE COMPANY’S COMPLIANCE OFFICER, THE ATTORNEYS WITHIN THE COMPANY’S LEGAL DEPARTMENT, THE CORPORATE TREASURER AND THE CORPORATE CONTROLLER (COLLECTIVELY, THE “COVERED LEADERSHIP TEAM”); AND**
- **ANY EMPLOYEE WHO RECEIVED AN EQUITY AWARD FROM THE COMPANY (TOGETHER WITH THE COVERED LEADERSHIP TEAM, THE “COVERED PERSONS”)**

13. **Blackout Periods**

- a. **Quarterly Trading Restrictions.** The Covered Persons, as well as Controlled Entities (as defined in Section 8, above), may not conduct any transactions involving Company Securities (other than as specified by this Policy), during a “Blackout Period” beginning fifteen (15) days prior to the end of each fiscal quarter and ending on the second business day following the date of the public release of the Company’s earnings results for that quarter. For example, if a Company’s fiscal quarter ended on June 30th, the Blackout Period would commence starting at 12:01 a.m. on June 15th and would end two business days after the Company’s earnings release for the June 30th fiscal period.
- b. **Event-Specific Trading Restriction Periods.**

From time to time, an event may occur that is material to the Company and is known by only a certain number of Covered Persons. So long as the event remains material and nonpublic, those specific Covered Persons (who have knowledge) may not trade Company Securities. In these cases, the Compliance Officer will provide notice (usually by email) indicating that there is an event-specific trading restriction period.

In addition, the Company’s financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Compliance Officer, a Covered Person should refrain from trading in Company Securities even sooner than the typical Blackout Period described above. In that situation, the Compliance Officer will notify the Covered

Persons that they should not trade in the Company's Securities without disclosing the reason for the restriction.

The existence of an event-specific trading restriction period or extension of a Blackout Period will not be announced to the Company as a whole, and should not be communicated to any other person. Even if the Compliance Officer has not designated a Covered Person as a person who should not trade due to an event-specific restriction, you should not trade while aware of material nonpublic information. Exceptions will not be granted during an event-specific trading restriction period.

- c. Exceptions. The quarterly trading restrictions and event-driven trading restrictions do not apply to those transactions described above under Section 9, "Transactions To Which This Policy Does Not Apply."
- d. Written Updates or Schedule. The Compliance Officer shall be responsible for providing written (which may be by email) updates and/or a yearly schedule on when Blackout Periods begin and end. The Compliance Officer shall be responsible for updating such schedule and for providing sufficient communications related event-specific trading restrictions.

12. **Prohibited Transactions**

In addition to the matters that are prohibited transactions for all employees under Section 10 of this Policy, the Board of Directors of the Company believes that additional transaction should be prohibited for the Covered Leadership Team. As such, those individuals are also prohibited from engaging in the following transactions.

- a. Short-Term Trading, which is defined as the purchase and sale of Company Securities of the same class within six months of the initial transaction, is prohibited under this Policy to the extent such transaction would require the disgorgement of profits under Section 16 of the Exchange Act ("Section 16"). Furthermore, please note that Section 16 explicitly requires Section 16 Officers and directors to disgorge profits from these types of transactions.
- b. Hedging Transactions, including the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds, may permit you to continue to own Company Securities obtained through employee benefit plans or otherwise without the full risks and rewards of ownership. When that occurs, you may no longer have the same

objectives as the Company's other shareholders. Therefore, you are prohibited from engaging in any such transactions.

- c. Margin Accounts and Pledged Securities. Because a margin sale or foreclosure sale may occur at a time when you are aware of material nonpublic information or are otherwise not permitted to trade in Company Securities, you may not hold Company Securities in a margin account as collateral for a margin loan, or pledge/hypothecate Company Securities as collateral for a loan.

13. **Pre-Clearance Procedures.**¹

The Covered Leadership Team, as well as any Controlled Entities of such persons, may not engage in any transaction in Company Securities without first obtaining pre-clearance of the transaction from the Compliance Officer.² A request for pre-clearance should be submitted to the Compliance Officer at least two (2) business days in advance of the proposed transaction.

The Compliance Officer is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. If a person seeks pre-clearance and permission to engage in the transaction is denied, then he or she should refrain from initiating any transaction in Company Securities, and should not inform any other person of the restriction. When a request for pre-clearance is made, the requestor should carefully consider whether he or she may be aware of any material nonpublic information about the Company, and should describe fully those circumstances to the Compliance Officer. The requestor should also indicate whether he or she has effected any non-exempt "opposite-way" transactions within the past six months, and should be prepared to report the proposed transaction on an appropriate Form 4 or Form 5. The requestor should also be prepared to comply with SEC Rule 144 and file Form 144, if necessary, at the time of any sale.

14. **Certification**

The Covered Leadership Team members must certify their understanding of, and intent to comply with, this Policy.

¹ Unless otherwise stated by the Compliance Officer, the pre-clearance will only be valid for a period of five (5) trading days from the date clearance is given.

² In the case of pre-clearance for any transaction by the Compliance Officer, the Company's Chairman, CEO or CFO, as the case may be, may provide pre-clearance to the Compliance Officer.

**COVERED LEADERSHIP TEAM
CERTIFICATION**

I certify that:

1. I have read and understand the Company's Policy on Insider Trading (the "Policy"). I understand that the Compliance Officer is available to answer any questions I have regarding the Policy.
2. Since January 1, 2016, or such shorter period of time that I have been an employee of the Company, I have complied with the Policy.
3. I will continue to comply with the Policy for as long as I am subject to the Policy.

Print name: _____

Signature: _____

Date: _____