

# Code of Conduct

Adopted by the Board of Directors on April 20, 2004

## Introduction

It has been the longstanding policy of Matthews International Corporation to maintain the highest ethical standards in the conduct of Company affairs and in its relationship with customers, suppliers, employees, advisors and the communities in which our operations are located. All employees must conform to the highest ethical and legal standards and must abide by the law in order to preserve the Company's integrity and reputation.

The purpose of this Code of Business Conduct and Ethics (this "Code") is to reaffirm the strong Company commitment to the highest standards of legal and ethical conduct in its business practices, and to consolidate the various policies concerning this commitment into a single document.

The Code applies to all directors, officers and employees of Matthews International Corporation and its domestic and foreign subsidiaries (referred to herein collectively as the "Company"). This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees of the Company. As an integral member of the Company's business team, you are expected to accept certain responsibilities, adhere to acceptable business principles in matters of individual conduct, and exhibit a high degree of individual integrity at all times. Whether you are on duty or off, your conduct reflects on the Company. You are expected to observe the highest standards of professionalism at all times. All of our employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

When those situations occur where the proper course of action is unclear, request advice and counsel from your immediate supervisor. The reputation and good name of the Company depends entirely upon the honesty and integrity of each of us. If a law conflicts with a policy in this Code, you must comply with the law. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination of employment. If you are in a situation which you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 18 of this Code.

### 1. **Compliance with Laws, Rules and Regulations:**

Obeying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. If requested, the

Company will hold information and training sessions to promote compliance with laws, rules and regulations, including insider-trading laws.

## **2. Conflicts of Interest:**

Generally speaking, a “conflict of interest” exists when there is any direct or indirect association by an employee with an outside commercial activity which might in any way adversely affect the Company or benefit the employee. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also rise when an employee, officer or director, or members of his or her family, receive improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, employees and their family members may create conflicts of interest.

It is impractical to describe all situations in which conflict of interest may arise, but here are some examples.

1. Investing in or having material interest in any competitor, supplier, customer or potential customer of the Company or any enterprise competitive with the Company customer. Ownership of less than a five percent interest in any publicly-traded corporation is not considered material.
2. Acting in any capacity – including director, officer, partner, consultant, employee, distributor, or agent – for any competitor, supplier, or customer of the Company.
3. Seeking or accepting a payment, service, or gift or loan from, or for, a competitor, supplier or customer of the Company. Gifts with a total value less than \$150 in any year and ordinary course of business loans from lending institutions are excluded.
4. Conducting any business transaction with a competitor, supplier, or customer for personal gain.
5. Use of information to which an employee has access by reason of his position, in a manner which will be detrimental to the Company’s interest.
6. Disclosure or other misuse of confidential information of any kind obtained through an employee’s connection with the Company.
7. Obtaining for oneself, or others, any business opportunity which is known or could reasonably be anticipated to interest the Company.

Involvement by members of the immediate family of an employee in any of the situations described above may involve conflict of interest and must be reported by the employee if known by him or her.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section 18 of this Code.

Breach of this conflict of interest policy is a violation of Company rules which could result in disciplinary action as described in the introduction above and could require reimbursement to the Company for any loss suffered.

### 3. **Policy on Doing Business with Family Members:**

If an employee wishes to do business on behalf of the Company with a member of that employee's immediate family or other relative or with a company of which a relative is an officer, director, or principal, the employee must first disclose the relationship and obtain the prior written approval of their immediate supervisor.

### 4. **Policy on Employment of Relatives and Personal Relationships among Coworkers:**

**Employment of Relatives.** The employment of relatives of employees is permitted by the Company as long as qualifications for the position are met and, in the opinion of the Company, employing the relative will not create an actual or perceived conflict of interest. Employees will not be permitted to work in positions where relatives will influence, or be influenced by, decisions affecting work assignments, responsibilities, salary, promotion or other career matters. Managers who seek to hire, transfer or promote their own relatives must obtain prior written approval from their immediate supervisor.

**Relative Defined.** Relatives include: spouse, parent, parent-in-law, child, grandparent, grandchild, sister/brother, sister-/brother-/in-law, aunt/uncle, niece/nephew, and any individual with whom an employee has a personal relationship.

**Personal Relationships.** Because personal relationships may create an actual or perceived conflict of interest, supervisors may not hire, promote or directly supervise any person with whom they have a personal relationship, nor may they engage in any personal relationships with their subordinates.

**Personal Relationship Defined.** A personal relationship includes, but is not limited to the following activities: dating, sharing the same household or living together.

**Notice.** An employee must notify the Company if his or her relationship to another employee changes to fit the definition of "relative" above. If a personal relationship develops between a supervisor and subordinate, both employees are required to inform their immediate supervisor.

**Company Discretion.** The Company reserves the right to use its discretion in hiring and placing relatives of its current employees and relocating those employees having a personal relationship with another employee in a manner calculated to eliminate potential conflicts of interest. To do this, the Company will take action that is fair and equitable and that will remove any direct reporting or management relationship between employees who are defined as "relatives," or otherwise as having a personal relationship.

### 5. **Policy on Political Activities:**

The Company has a policy of not making contributions to political parties or candidates or lobbying on their behalf. Employees may enjoy membership in and contribute to political parties, trade associations, and similar organizations. However, any political activity is strictly on the employee's own time and at the employee's own expense.

## 6. **Insider Trading:**

If you have any material non-public information relating to the Company, it is the Company's policy that you must not purchase or sell, or advise any other person to purchase or sell, the Company's Stock. If you have any such information, you must not communicate the information to any other person unless the person has a need to know the information for legitimate, Company-related reasons. Transactions that may be necessary or justifiable for your independent reasons (such as the need to raise money for any emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided.

**Materiality.** Information is "material" if it would be considered important by a reasonable investor in deciding whether to buy, sell, or refrain from any activity regarding the Company's stock. Further, information would be material if it were likely to have a significant impact on the market price of the Company's stock. By way of example, the following information, in most circumstances, would be material: annual or quarterly financial results; a significant change in earnings or earnings projections; unusual gains or losses in major operations; negotiations and agreements regarding significant acquisitions, divestitures, or business combinations; a significant increase or decrease in dividends; and major management changes. You should remember that if your purchases or sales become the subject of scrutiny, they will be viewed after-the-fact. As a result, before engaging in any transaction, you should carefully consider how regulators and others might view your transaction with the benefit of hindsight. When in doubt, information should be presumed to be material.

**Transactions by Certain Other Persons.** The Company's policy applies with equal force to any person, trust or estate, company or other entity whose actions you do or could influence.

**Additional Prohibited Transactions.** Because the Company's Board of Directors believes it is improper and inappropriate for you to engage in any short-term or speculative transactions involving our stock, it is also the Company's policy that you must not engage in either of the following activities:

1. You must not make any short sales of the Company's stock.
2. You must not purchase or sell any puts or calls with respect to the Company's stock.

Penalties for trading while possessing material non-public information are severe. They include a maximum criminal fine of \$1,000,000 and prison sentence of up to 10 years.

You should feel free to contact either the Company's General Counsel or Chief Financial Officer if you have any questions regarding this Insider Trading Policy Statement. They will be more than willing to assist you; however, you must remember that the ultimate responsibility for adhering to this Insider Trading Policy Statement and avoiding improper transactions rests with you. It is, accordingly, imperative that you use your very best judgment in engaging in transactions in the Company's stock.

**7. Corporate Opportunities:**

Employees, officers and directors are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors. No employee may use corporate property, information, or position for improper personal gain, and no employee may compete with the Company directly or indirectly. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

**8. Competition and Fair Dealing:**

We seek to outperform our competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse or privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

U.S. Anti-Trust law imposes severe sanctions on companies determined to have participated in price fixing schemes. Price fixing includes, among other things, any arrangement, agreement or understanding between competitors to maintain or "fix" prices, increase prices, not decrease prices, or to not offer a bid to a customer. You should not discuss pricing or customer relationship with competitors. Moreover, you should not have any conversations or be involved in any situations which can be viewed as potentially violating the price fixing laws. Should you have any questions or concerns regarding a particular situation, you should seek advice from the Company's General Counsel.

**9. Policy on Gifts and Favors:**

The purpose of the policy relating to entertainment, gifts, favors and gratuities is to avoid any implication that unfair or preferential treatment will be granted or received by the Company's employees in their course of dealing on behalf of the Company. A basic consideration should be that public disclosure would not be embarrassing to the Company, the recipient, or the recipient's employer. The following guidelines are provided for the applications of this policy:

1. Employees may not give or receive any gifts or favors to or from any customer, supplier, competitor (other than a gift of nominal value) without the prior consent of a manager.
2. Gifts of cash, or cash equivalents like stocks, bonds or options, to customers or from suppliers are never permissible regardless of amount.
3. An especially strict standard is imposed on gifts, services, or considerations of any kind from suppliers to the Company employees. Only those considerations which are deemed common business courtesies and are of an insignificant or nominal value (i.e., \$25.00) to the recipient will be permitted.
4. Gifts, favors, and entertainment may be given to others at Company expense only if they are consistent with accepted business practices and are of such limited value that they cannot be considered as a bribe or payoff.
5. It is impermissible and may be unlawful to give, offer, or promise anything of significant value for the purpose of influencing someone in connection with Company business or a Company transaction. Similarly, it is impermissible and may be unlawful to solicit, demand, or accept anything of significant value with the intent of being influenced or rewarded in connection with any Company business or transaction. Therefore, no employee may give or receive any gift if it could reasonably be viewed as being unethical or unlawful.
6. That is not to say that employees are prevented from incurring normal business-related expenses for entertainment or from accepting personal mementos of minimal value. Moreover, it is acceptable to occasionally allow a supplier or customer to pay for a business meal. Employees are expected to exercise good judgment when incurring such expenses or when accepting such meals. When it is unclear, request the advice of your immediate supervisor.
7. The Company will pay only those agents with whom it has a formal written agreement and from whom it has an invoice detailing the amount to be paid. Employees must ensure that vouchers properly identify such fees or commissions.
8. An employee may make payment to an agent for only the amount that constitutes the proper remuneration for the service rendered by the agent. An employee may not make a commission or any other payment if that employee knows or has reason to know the payment will be used as a bribe.

#### **10. Discrimination and Harassment:**

It is the policy of the Company to practice zero tolerance with respect to any action taken by employees that would violate federal or state civil rights statutes on discrimination. The basic requirements of such statutes prohibit discrimination due to race, color, religion, sex, national origin, age, or disability. The Company's zero tolerance practice applies equally to the Company's commitment to provide all employees a working environment free of sexual harassment.

#### **11. Health and Safety:**

The Company strives to provide each employee with a safety and healthy work environment. Each employee has responsibility for maintaining a safe and healthy

workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use, possession, distribution, manufacture of illegal drugs in the work place is strictly prohibited and will not be tolerated.

## **12. Record-Keeping:**

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor or your controller.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterization of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation please consult the Company's General Counsel.

## **13. Confidentiality:**

Employees must maintain the confidentiality of confidential information entrusted to them by the Company or its customers, except when disclosure is authorized by the General Counsel or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

Employees have an ethical duty not to disclose confidential information gleaned from business transactions and to protect confidential relationships between the Company and its customers, suppliers, and shareholders.

Business information that has not been made public (e.g., insider information) shall not be released to private individuals, organizations, or government bodies unless demanded by legal process such as a subpoena or court order. Employees shall not use confidential information obtained in the course of their employment for the purpose of advancing any private interest or otherwise for personal gain.

All memoranda, notes, lists, records and other documents (and all copies thereof) made or compiled by the employee or made available to the employee concerning the business of the Company or any of its affiliates shall be the Company's property and shall be delivered to the Company promptly upon the termination of the employee's employment with the Company or at any other time on request.

#### **14. Protection and Proper Use of Company Assets:**

All employees should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Employees are forbidden to use, directly or indirectly, corporate funds and assets for any unlawful purpose or to accomplish any unlawful goal. The Company also prohibits the establishment or maintenance of undisclosed or unrecorded funds and assets. Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

#### **15. Payments to Government Personnel:**

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The Company's General Counsel can provide guidance to you in this area.

## **16. Waivers of the Code of Business Conduct and Ethics:**

Any waiver of this Code for executive officers or directors may be made only by the Board and may be subject to prompt disclosure by the Company, along with the reasons for the waiver, on a Form 8-K filed with the Securities and Exchange Commission.

## **17. Reporting any Illegal or Unethical Behavior; Reporting of Financial or Accounting Issues:**

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

It is always the Company's policy that there be full, fair, accurate, complete, objective, timely and understandable disclosure in all reports and documents that the Company files with, or submits to, the Securities and Exchange Commission, any other government agency or self-regulatory agency, and in other public communications made by the Company. This standard of integrity applies to reports and documents that are used for internal purposes as well.

These obligations apply to the Chief Executive Officer, the Chief Financial Officer, the Controller and any other employee with any responsibility for the preparation and filing of such reports and documents, including drafting, reviewing, and signing or certifying the information contained in those reports and documents (each is a "Financial Reporting Person").

In light of the above policy and in addition to the other sections of this Code, if you are a Financial Reporting Person:

1. When analyzing actual or apparent conflicts of interest, you are required to observe both the form and spirit of technical and ethical accounting standards;
2. To ensure that disclosure is accurate and complete, it is your responsibility to familiarize yourself not only with the disclosure requirements applicable to the Company, but also with the Company's business and financial operations; and
3. If you act in a supervisory role, you should not accept at face value information that is presented in documents and reports submitted to you for approval – you are responsible for critically analyzing all financial information that is to be disclosed.

In addition to the above policy, federal law requires that the Company devise and maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (1) transactions are executed in accordance with management's general or specific authorization; (2) transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; and (3)

transactions are recorded as necessary to maintain accountability for assets. It is our policy that documents not be falsified.

The Audit Committee of the Company has developed procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters. Any employee may submit a good faith concern regarding questionable accounting or auditing matters without fear of dismissal or retaliation of any kind by calling the Company's hotline at 1-877-333-6288.

## **18. Compliance Procedures:**

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind.

1. Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
2. Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
3. Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
4. Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
5. Seek help with Company resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it locally with your office manager or your Human Resources manager.
6. You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.
7. Always ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

## **19. The Code is Not a Contract of Employment:**

The Code does not create any contractual rights of any kind between the Company and its employees or between the Company and third parties.