

HILLENBRAND, INC. AND SUBSIDIARIES

Global Anti-Corruption Policy Statement and Compliance Guide

Hillenbrand, Inc., including all of its subsidiaries (referred to collectively as the “Company”), maintains a corporate policy prohibiting corruption, including any improper or unethical payments to any person anywhere in the world. In addition to our previous compliance efforts, the Company has adopted this Global Anti-Corruption Policy Statement and Compliance Guide (“Policy”) with specific focus on the provisions of the United States Foreign Corrupt Practices Act (as amended, “FCPA”) and the UK Bribery Act 2010 (“UK Bribery Act”). Our policy statement is:

No Company officer, employee or agent shall, for the purpose of securing an improper advantage for the Company, offer or promise, or make or facilitate a payment or gift of, anything of value to – or accept anything of value from – any person, including, but not limited to, a foreign government official. Furthermore, every Company officer, employee and agent is obligated by Company policy and federal law to keep books, records and accounts that accurately and fairly reflect all transactions and any disposition of Company assets.

This Policy is intended to supplement the Company’s Code of Ethical Business Conduct (“Ethics Code”), which is incorporated by reference. The Ethics Code contains provisions governing conduct similar to that addressed in this Policy, including provisions regarding gifts, bribery, record-keeping and compliance with applicable law.

This Policy applies to all employees, officers and agents (including third party representatives) of the Company, anywhere in the world. Compliance with this Policy is mandatory. No Company officer, employee or agent has the authority to act contrary to the provisions of this Policy or to authorize, direct or condone violations of it by any other officer, employee or agent.

In addition to the FCPA and UK Bribery Act, there are additional international laws outlawing bribery and corruption with which the Company and its employees, officers and agents must comply. Employees, officers and agents engaging in any international business should be aware of and comply with such laws and should conduct themselves at all times in compliance with the standards set forth in this Policy and the Company’s Ethics Code.

THE U.S. FOREIGN CORRUPT PRACTICES ACT

Application. The FCPA generally applies to all U.S. corporations, partnerships and other business organizations, as well as their foreign subsidiaries and all persons acting on their behalf. The FCPA also applies to any person who violates the FCPA while in the United States.

Improper Payment Provisions. The FCPA prohibits any payment or offer of payment to a foreign official for the purpose of influencing that official to assist in obtaining or retaining business or any other advantage for a company.

A “foreign official” includes any officer or employee of a foreign government (regardless of rank), employees of government-owned or government-controlled businesses, foreign political parties, party officials, candidates for political office and employees of public international organizations (such as the United Nations or World Bank). Any doubts about whether a particular individual is a government official should be resolved by assuming that the individual is a government official for FCPA purposes.

“Obtaining or retaining business or any other advantage” includes, for example, a reduction in taxes, a favorable change in regulations, tolerance of non-compliance with local rules or other favors or preferential treatment. The business to be obtained or retained does not need to be with a foreign government or foreign government instrumentality in order for the FCPA to apply.

A “payment” under the FCPA is broadly interpreted to include not only the actual payment of money, but also an offer, promise or authorization of the payment of money, as well as an offer, gift, promise or authorization of the giving of “anything of value.” “Anything of value” may include not only cash and cash equivalents, but also gifts, entertainment, travel expenses, accommodations and anything else of tangible or intangible value.

The FCPA applies not only to payments or offers to pay, but also to any act or event that is “in furtherance of” a payment to a foreign official. Even if an improper payment is not consummated, just offering it violates the FCPA. Likewise, it is a violation of the FCPA to instruct, authorize or allow a third party to make a prohibited payment on the Company’s behalf, or to ratify a payment after the fact, or make a payment to a third party while knowing or having reason to know that it will likely be given to a government official.

Record Keeping Requirements. In addition to its improper payment provisions, the FCPA also imposes certain accounting requirements on companies. Specifically, the FCPA requires that a company maintain books, records and accounts that, in reasonable detail, accurately reflect the transactions and dispositions of that company. In order to comply with these requirements, it is imperative that Company employees, officers and agents maintain complete and accurate records with respect to all transactions undertaken on behalf of the Company. These requirements apply to transactions of any amount, not just sums that would be “material” in the traditional financial sense. “Records” include virtually all forms of business documentation, including accounts, correspondence, memos, tapes, discs, papers, books and other documents or transcribed information of any type.

THE UK BRIBERY ACT 2010

Application. The UK Bribery Act applies not only to UK citizens, residents and companies, but also to non-UK companies doing business in the UK. A company can be liable for violations committed for its benefit by its employees or other associated persons. Companies can be prosecuted even if they have no knowledge of the relevant actions. The UK Bribery Act has expansive jurisdiction, as a relevant person or company can be prosecuted for violations of the Act even if the violations occurred outside the UK.

Scope of Prohibitions. Like the FCPA, the UK Bribery Act prohibits improper payments to foreign officials. However, the UK Bribery Act reaches more broadly than the FCPA, as it also prohibits non-government individuals and entities from offering, paying or receiving payments intended to

improperly induce certain actions. In addition, the Act creates a strict liability offense for the failure of a commercial enterprise to prevent bribery within its organization. Under the Act, senior corporate officers may face personal civil action and may be individually penalized where they are particularly culpable.

GUIDELINES FOR COMPLIANCE

The consequences of failing to comply with the FCPA, UK Bribery Act or similar anti-corruption laws are potentially disastrous for a business and its employees. Violations by a Company employee, officer or agent may result in millions of dollars in fines against the Company, and may subject the violating individual to prosecution, criminal fines and imprisonment, as well as disciplinary action by the Company, including dismissal. Under the UK Bribery Act, corporate entities may face unlimited fines, and individuals may face prison sentences up to ten years, and/or unlimited fines. Fines and penalties imposed upon individuals for these types of violations generally may not be paid directly or indirectly by any corporation for which they may have acted. Additionally, actual and perceived violations of anti-corruption laws can also tarnish the Company's reputation.

Accordingly, we have developed guidelines for complying with global anti-corruption laws. The purpose of these guidelines is to ensure full compliance with such laws, as well as the continuation of our record in maintaining lawful and ethical dealings in business transactions throughout the world.

General Rules. The following rules have been established for all Company employees, officers and agents:

- No payment or gift of anything of value of any kind whatsoever may be offered, promised or made to any person – including, but not limited to, a foreign official (regardless of rank) – while knowing or being aware of a high probability that all or a portion of such payment or gift is or will be used to secure an improper advantage for the Company. Company employees, officers and agents who consider making any payments or gifts to foreign officials must first consult the Company's legal department, which may approve certain payments or gifts. Any such properly-approved payments or gifts made or expenses incurred must be documented by receipts, invoices, checks, statements or other similar means.
- No payment or gift of anything of value shall be accepted or received unless such payment or gift strictly conforms to the applicable provisions of the Company's Ethics Code.
- Complete and accurate records sufficient to show compliance with this Policy, the FCPA and UK Bribery Act generally and any other Company policies must be maintained at all times.

Red Flags. Certain situations may arise which indicate a corruption risk. Company employees, officers and agents should be particularly aware of certain "red flags," which are facts or circumstances sending a warning signal that the potential for violations exists. It is the responsibility of the employee, officer or agent who observes a red flag to either resolve the matter by further investigation or to refer it to the Company's legal department. The following red flags are merely a representative list of the types of transactions that may suggest a potential violation. Company employees, officers and agents should always be alert to signs that a transaction is "wrong."

- *Payments greater than "normal."* These may be finders' fees, agents' fees or payments for goods or services which are higher than what is usual or customary.
- *Third-party payments.* These include payments made or requested to be made to persons, accounts or countries which are outside the normal scope of the transaction. There may be

reasonable explanations for making such payments, but reasons must be documented and approved before such payments are made.

- *Facilitation payments.* These are payments (sometimes called “grease” payments) to a foreign official which are not considered to be bribery or otherwise improper according to the law or custom of some jurisdictions, and are even 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 are specifically prohibited by the UK Bribery Act, and may in any case present a risk of liability.
- *Large bonuses.* Although not inherently illegal, large bonuses, particularly those which are success-based, require careful scrutiny since the recipient of such a bonus may be tempted to share a portion of the bonus with a government official or other person if that person agrees to exercise his influence to secure an improper advantage for the Company.
- *Unsupported invoicing.* Invoices which are “padded” or inadequately documented as to products or services delivered or received compared to prices charged or paid can be a sign that money is being siphoned for inappropriate uses. In addition to an auditing concern, such invoices can be a sign of a corruption problem.
- *Lack of standard invoices.* Abbreviated, “customized” or non-industry standard invoices can be an indication of efforts to hide or disguise payments for unauthorized purposes.
- *Unusual credits granted to new customers.* Pre-payments, extensions of credit and cash advances to new and unfamiliar customers must be avoided. Such conditions are sometimes a sign that money must be placed in the hands of a local official or other improper party before an order can be completed.
- *Lack of credentials.* The use or requested use of consultants or other parties who do not appear to have the capability to perform required services, or whose offices or locations do not fit with service offerings, can be a sign of an improper relationship.

SPECIAL CONSIDERATIONS

Local Parties and Agents. Because the actions of a third party acting as an agent or representative of a company can expose that company to liability under applicable anti-corruption laws, great care should be taken in the retention of such agents and representatives. Finders, customers, agents, business partners, contractors and venture partners (collectively, “local parties”) can all be sources of corruption problems. Sufficient investigation should be undertaken by Company employees, officers and agents to ensure that any such local party who may transact business with or on behalf of the Company does not intend to engage in any improper practices. In determining whether to engage a particular local party, factors to be considered include the party’s reputation and qualifications, the manner and reasonableness of compensation, the relationship, if any, between the owners and employees of the party and a foreign official, the presence or absence of any secret partners, the willingness of the party to make certain representations regarding its conduct or to fully disclose certain relationships and the legality of the relationships under local law. It is also important to be aware of the country(ies) in which the local party operates, as certain countries have traditions of corruption and, therefore, pose high risks.

Once a local party has been selected, it is important that the Company retain control over that local party’s activities involving the Company and its products in order to ensure compliance with this Policy.

Government-Owned Businesses. In many countries in which the Company does business it is a common practice for government officials to own or operate business enterprises. While the FCPA, UK Bribery Act and related laws do not prohibit legitimate business relationships with enterprises owned or controlled by foreign officials, great care must be taken to avoid any association with any such enterprise in circumstances that might constitute an evasion of applicable anti-corruption laws.

Contributions and Donations. The making of improper charitable contributions on behalf of foreign officials or other interested parties may also have severe consequences for the Company and its personnel. In no instance may the Company or any of its employees, officers or agents make a donation or contribution payment at the behest of a foreign official or other foreign person, or to an organization affiliated with such a person or his close relatives, without first obtaining approval from the Company's legal department. The Company's Ethics Code provides additional rules and restrictions regarding political contributions.

ADMINISTRATION AND ENFORCEMENT

Prompt and full disclosure is always the appropriate initial step towards solving any potential concern you may have with respect to the subject matter of this Policy. To 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 operating companies. When in doubt about a particular situation, ask any member of your company's Ethics Committee, or the Company's legal department or your manager, supervisor or human resources representative. Discovery of events that are, or may be, in violation of this Policy should be reported immediately to any of those individuals. If such events involve a member of the Ethics Committee, the matter should be reported to other members of the Committee or to the Chief Executive Officer. Additionally, a toll free Code of Ethics and Compliance Help Line is available for those who wish to remain anonymous at 1-888-469-1534.

Employees, officers or agents with questions about this Policy itself should contact the Company's legal department.

Depending on their respective areas of responsibility, employees, officers and agents may be asked to certify as to their understanding of and compliance with this Policy. 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.

This Policy is intended to create an opportunity for associates to express concerns relating to corruption. Concerns will be investigated and action taken, if appropriate. There will be no discrimination or retaliation against any associate who reports such violations or allegations in good faith.

The Ethics Committees will meet as necessary to implement this Policy and address concerns raised by associates. The operating company Ethics Committees will promptly after each meeting report to the Hillenbrand, Inc. Ethics Committee on compliance with the Policy, the status of any certification statements by associates and any other relevant matters relating to the Policy. The Chairman of the Hillenbrand, Inc. Ethics Committee will, in turn, provide regular updates to the Audit and Nominating Committees.