



# Global Legal Compliance and Business Ethics Manual



## ***A Message from Columbus McKinnon's President***

Dear Fellow Columbus McKinnon Colleagues:

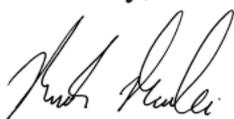
As you know, our philosophy at Columbus McKinnon is that we comply with all applicable laws and regulations, adhere to the highest ethical standards, and act as responsible members of the communities in which we operate. This Global Legal Compliance and Business Ethics Manual applies to all employees, officers, directors, vendors, contractors and consultants of and all other third parties that do business with Columbus McKinnon Corporation and our subsidiaries. It is written to assist us in understanding and abiding by these principles.

The foundation of any ethics system is the honesty and integrity of our people. I am proud to be associated with you in an organization that has built a reputation for the highest degree of honesty and integrity. I know you share my desire to maintain these high standards. We must continue to earn this reputation every day. The requirement that we operate within the law is just the beginning of our ethical responsibility.

We do not expect you to become a legal expert from reading this booklet, but we do expect you to comply with the principles set forth herein, to be aware of certain laws and regulations, and to recognize sensitive issues. Most importantly, we expect you to seek advice when necessary. Remember, it is always better to ask first so that problems can be avoided.

Please read and retain this publication so that we may join together in assuring a continued practice of adherence to the highest standards of honesty and integrity. If you have questions, see your supervisor or contact our Compliance Officer at 716-689-5465.

Sincerely,



Mark D. Morelli  
President and Chief Executive Officer

November 17, 2017

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## **I. INTRODUCTION**

At Columbus McKinnon Corporation and its subsidiary corporations throughout the world (“CMCO” or the “Company”), senior executives are responsible for setting standards of business ethics and overseeing compliance with these standards. As CMCO employees, we frequently encounter a variety of ethical and legal questions. The way we decide these issues should be consistent with the Company’s basic values and principles. We expect all our employees to obey the law and to act ethically. This manual provides general guidance for resolving a variety of legal and ethical questions for employees, directors, officers, vendors and all other third parties that do business with Columbus McKinnon (including those of our subsidiaries). Employees who work in marketing and specialized areas such as governmental procurement and regulatory matters (e.g., environmental, export, tax and customs) must also comply with additional functional guidelines that relate to those areas.

This Legal Compliance Manual (the “Manual”) was prepared to provide the officers, directors, employees, contractors and consultants of the Company (“CMCO personnel”), as well as vendors and all other third parties that do business with us (including those of our subsidiaries) and the general public, with a formal statement of the Company’s commitment to the standards and rules of ethical business conduct.

All CMCO personnel must comply with the standards contained in the Manual, immediately report any alleged violations to their supervisor, department head or the Compliance Officer<sup>1</sup> and assist in investigating any allegations of wrong doing. It is our policy to prevent the occurrence of unethical or unlawful behavior, to halt any such behavior as soon as it is discovered and to discipline persons who violate the standards contained in the Manual, including individuals responsible for the failure to report a violation.

No legal compliance manual can cover all circumstances or anticipate every situation. Consequently, CMCO personnel who encounter situations raising legal or ethical issues not addressed specifically by this Manual should apply the overall philosophy and concepts of this Manual to the situation, along with the highest ethical standards. If a question still exists in your mind after so doing, the

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<sup>1</sup> CMCO’s General Counsel (corporate counsel) also acts as its Compliance Officer.

particular circumstances should be reviewed with your immediate supervisor, department head or the Compliance Officer. Outside contractors and consultants should consult directly with the Compliance Officer over any questions.

Because of the continuing need to reassess and clarify our practices, the contents of this Manual will be reviewed on an ongoing basis and updated as required.

In addition, each department or business, wherever located, may adopt further compliance materials which apply specifically to the employees in that particular department or business. Training will be provided to ensure that all employees understand their compliance responsibilities.

If you have any questions about interpreting or applying the guidelines in this Manual—or about guidelines and procedures adopted by your department within the Company—it is your responsibility to consult your immediate supervisor, department head or the Compliance Officer.

## **II. OPEN DOOR POLICY AND REPORTING OF VIOLATIONS**

Employees are encouraged to bring questions, suggestions and complaints concerning the material in this Manual to the Company's attention. Our door is always open. Employees may bring such matters to their supervisor, department head or the Compliance Officer. Employee concerns are important to us and we encourage candid communication at all times. An employee's job will not be adversely affected in any way because he or she chooses to use this procedure.

However, if any director, officer or employee of CMCO becomes aware of any circumstance or practice that:

1. involves a violation or potential violation of a federal, state, local or foreign law or other violation or potential violation of the policies and standards set forth in this Manual; or
2. is materially detrimental to the best interest of CMCO, then such circumstance or practice must be reported as soon as possible. Directors and officers shall report, either in person or in writing, any such circumstance or practice to the Compliance Officer. Employees who are not directors or officers shall report such circumstance or practice to the Compliance Officer or the employee's direct supervisor or department head. If the reporting

employee would prefer to do so, unless prohibited by applicable local law, rule or regulation, such report can be made anonymously. Reports may also be made using the Company's reporting hotline through Ethics Point via the internet at [www.EthicsPoint.com](http://www.EthicsPoint.com) or by the toll-free telephone number posted at each CMCO location.

Supervisors and department heads receiving a report shall promptly relay the report to the Compliance Officer, who shall investigate such circumstance or practice. After such investigation, the Company shall take such further action as appropriate to address the circumstance or practice and maintain the standards set forth in this Manual, including, without limitation, appropriate disciplinary action for any individual who has violated the standards set forth in this Manual and, where permitted, any individual who should have detected, reported or prevented such violations.

If, in the opinion of the Compliance Officer, a violation of law may have occurred, the Compliance Officer and the Board of Directors shall determine whether it is appropriate or required to disclose the violation to the proper authorities and shall promptly make, or cause to be made, any appropriate or required disclosure.

The standards set forth in this Manual will be enforced at all levels fairly and without prejudice. Consistent with our obligations under the law and with the enforcement processes established in this Manual, and subject to any contrary local law, rule or regulation, we will take reasonable steps to keep confidential the identity of anyone about or against whom allegations are brought, unless and until it has been determined that a violation has occurred. Similarly, but subject to any contrary local law, rule or regulation, we will take reasonable steps to keep confidential the identity of anyone reporting a violation.

**THE COMPANY WILL NOT TOLERATE, UNDER ANY CIRCUMSTANCES, RETRIBUTION OF ANY KIND AGAINST ANYONE FOR REPORTING IN GOOD FAITH A VIOLATION OR POSSIBLE VIOLATION OF ANY LAW, REGULATION OR THE POLICIES CONTAINED IN THIS MANUAL. ANY ATTEMPT TO RETALIATE AGAINST SUCH PERSON WILL RESULT IN DISCIPLINARY ACTION, WHICH MAY INCLUDE TERMINATION OF EMPLOYMENT.**

### **III. INTERNAL MATTERS**

#### **A. Insider Information**

The following are procedures which all CMCO personnel at every level must follow arising from our responsibilities as a public company.

##### **1. Prohibition against trading Columbus McKinnon Corporation stock on undisclosed material information.**

If you are aware of material information relating to the Company which has not yet been available to the public for at least two full days, you are prohibited from trading in CMCO stock or directly or indirectly disclosing such information to any other persons so that they may trade in CMCO stock. It is difficult to describe exhaustively what constitutes “material” information, but you should assume that any information, positive or negative, which might be of significance to any investor in determining whether to purchase, sell or hold CMCO stock would be material. Information may be significant for this purpose even if it would not alone determine the investor’s decision. Examples include a potential business acquisition, internal financial information which departs in any way from what the market would expect or knows, important product developments, the acquisition or loss of a major contract or an important financing transaction. It is important to keep in mind that this list is merely illustrative. The Company’s published policy against insider trading has been posted at all Company locations. You should contact the Compliance Officer if you would like to receive a copy of that policy or if it is not posted at your location.

**2. Confidentiality.** Serious problems could be caused for CMCO by unauthorized disclosure of internal information about the Company, whether or not for the purpose of facilitating improper trading in stock. CMCO personnel should not discuss internal company matters or developments with anyone outside of the Company, except as required in the performance of regular corporate duties. This prohibition applies specifically (but not exclusively) to inquiries about the Company which may be made by the financial press, investment analysts or others in the financial community. It is important that all such communications on behalf of the Company be through an appropriately designated officer under carefully controlled circumstances. Unless you are expressly authorized to the contrary, if you receive any inquiries of this nature, you should decline comment and refer the inquirer to CMCO’s

Chief Financial Officer at (716) 689-5400. If you have any doubt as to your responsibilities under these guidelines, you should seek clarification and guidance from CMCO's General Counsel at (716) 689-5532, before you act. Do not try to resolve uncertainties on your own.

We expect the strictest compliance with these procedures by all personnel at every level. Failure to observe them may result in serious legal difficulties for you, as well as the Company, including the possibility of civil damages and criminal penalties. Failure to follow their letter and spirit would be considered an extremely serious matter and a basis for termination of employment.

### **B. Copyright Infringement**

Besides prohibiting unauthorized reproduction of written or video materials, copyright laws may provide criminal penalties for all forms of willful copyright infringement including, in particular, copying of computer software. Accordingly, unless pursuant to a valid license agreement or otherwise permitted by applicable law, it is strictly against CMCO policy for any employee to copy or otherwise reproduce any materials which are subject to the protection of the copyright laws. If you need advice in this area, consult your manager or the Compliance Officer.

### **C. Falsification of Records**

Federal law requires CMCO to assure that its books and records accurately reflect the true nature of the transactions represented. Therefore, in all of our operations, it is against Company policy, and possibly illegal, for any employee to cause our books and records to be inaccurate. The Company's records shall be maintained in a fashion whereby accuracy and accountability of all transactions are maintained.

False or artificial entries must never be made in any CMCO books or records or in any public record for any reason, nor should permanent entries in CMCO's records be altered in any way. No payment or receipt on behalf of CMCO may be approved or made with the intention or understanding that any part of the payment or receipt is to be used for a purpose other than that described in the documents supporting the transaction.

Undocumented transactions and accounts, where there is no accounting for receipts or expenditures on the corporate books, are strictly prohibited. It is very important that personnel not create, or participate in the creation of any records that are intended to mislead or to conceal the truth concerning any transaction.

Employees should only sign documents and records which they believe to be truthful and honest, and which they are authorized to sign.

#### **D. Retention of Records**

Disposal or destruction of CMCO's records and files is not discretionary. Legal and regulatory practice requires the retention of various records for specified periods of time, particularly in the tax, personnel, health and safety, environmental, contract and corporate areas. In addition, when litigation or a government investigation or audit is pending, relevant records must not be destroyed until the matter is closed. Destruction of records to avoid disclosure in a legal proceeding may constitute a criminal offense. Refer to your supervisor or the Compliance Officer for information on CMCO's record retention policy and any applicable retention periods and restrictions regarding specific types of records.

#### **E. CMCO Property**

To protect the interests of both our shareholders and our customers, strict accountability of all our assets and expenses is absolutely necessary. Employees are expected to take adequate precautions for the protection of CMCO assets. Employees are expected to provide reasonable care for Company property and equipment, including use, maintenance, safety and protection from theft and vandalism. CMCO property and equipment are not to be used for employees' personal benefit, other than that covered in formal programs such as recreational facilities or Company cars. This prohibition includes items such as vehicles, construction equipment, tools and audio-visual equipment. In situations where inappropriate use might be inferred, prior written authorization is required from a CMCO officer or department head stating the specific business or community service purpose. Items of Company property should not be disposed of, regardless of value, without proper authorization and documentation. Inappropriate personal use of CMCO property, including telephones, computers, equipment, office machines, materials, services or supplies is not acceptable.

#### **F. Workplace Injuries**

Occupational injuries and illnesses are generally covered by local laws relating to workers compensation and industrial accidents. All work related injuries must be reported. In the

event you are injured during the course of employment or while participating in a Company sponsored event, you are required to assure that your direct supervisor or department head are notified immediately. They will assist you in completing the proper reporting forms or will report such injuries to the relevant authorities.

### **G. Alcohol and Substance Abuse**

We recognize that alcohol and substance abuse can affect the workplace. CMCO also has a strong commitment to its employees to provide a safe place to work. Therefore, the Company prohibits the possession, use, purchase, sale or transfer of controlled substances and drug paraphernalia. In addition, the consumption of alcohol by employees during work hours is prohibited. The Company also prohibits employees from reporting to work under the influence of alcohol or controlled substances. Violations of this policy will result in discipline up to and including termination of employment.

### **H. Equal Employment Opportunity**

CMCO is an equal opportunity employer and will not discriminate against applicants, employees or trainees on the basis of origins, gender, lifestyle, sexual orientation, age, family status or pregnancy, genetic characteristics, ethnic group, nation or race, political opinions, union or pro-bono activities, religious beliefs, physical appearance, family name, health or handicap.

This policy extends to all personnel actions including, without limitation, hires, transfers, promotions, demotions, compensation and benefits administration, participation in Company-sponsored training, education and social programs, layoffs, recalls and termination of employment.

### **I. Unlawful Discrimination and Harassment**

CMCO prohibits any form of unlawful discrimination or harassment of employees. In particular, CMCO will not tolerate mental harassment, sexual harassment or abuse of any of our employees. While each case must be evaluated on an individual basis, mental harassment and sexual harassment are generally defined as follows:

- Mental harassment is constituted by repeated acts whose purpose or effect is to cause deterioration in the working conditions in a manner that could infringe an employee's rights and dignity, impair his or her physical or mental health or jeopardize his or her professional advancement.

- Sexual harassment consists of any act of harassment of a sexual nature by any person with a view to obtaining sexual favors for his or her own benefit or the benefit of third party or with the purpose or effect of creating an intimidating, hostile or offensive working environment.

If you experience any job-related harassment or believe you have been treated in an unlawful, discriminatory manner, promptly report the incident to your immediate supervisor, department head, local Human Resources Manager, the Vice President of Human Resources or the Compliance Officer. Any of the above persons to whom you report an incident of job-related discrimination or harassment will insure that an investigation is undertaken and completed as soon as possible. Your complaint will be kept confidential to the maximum extent possible.

As stated earlier, CMCO prohibits any retaliation against an employee for filing a discrimination or harassment complaint, or testifying, assisting or participating in any way in an investigation.

If the Company determines that an employee has engaged in unlawful discrimination or harassment of or retaliation against another employee, appropriate disciplinary action will be taken against the offending employee, up to and including termination of employment.

## **IV. CONDUCT OF CMCO'S BUSINESS**

### **A. Conflicts of Interest**

CMCO Personnel are expected to be sensitive to the interests of the Company and render their best impartial judgment in all matters affecting CMCO. Even the most well-meaning person may be swayed — or appear to others to be swayed — if the business transactions and decisions made by that individual on behalf of the Company have an effect on the personal or economic interests of the individual or of the individual's immediate family. To maintain independence of action and judgment, it is necessary to avoid such potential compromise or appearance of compromise.

1. Employees who, with or without compensation, render services to or serve on the board of directors of, any person, group or organization who sells or is attempting to sell to CMCO or who is a customer of

CMCO, and employees who have a financial interest in any organization that sells to or is attempting to sell to CMCO or who is a customer of CMCO, must disclose such conflicts of interest in writing to the Compliance Officer.

2. Requests or acceptance of money or services for an employee's personal use from any customer, vendor or person attempting to do business with CMCO in return for favorable action will be considered a bribe, may be illegal and will be grounds for disciplinary action up to and including termination of employment.
3. The Company desires to treat fairly and impartially all persons and companies with whom it has business relationships. Giving or accepting gifts and entertainment can be construed as an attempt to unduly influence those relationships. Generally, you should not provide or accept gifts of more than nominal value or entertainment of greater than usual or customary expense. Gifts of money are never permissible. Your judgment should tell you when a gift is improper and should be refused to prevent embarrassment to everyone and to avoid what may be an unintentional violation of the law. Business entertainment is an ambiguous area. Picking up a check (or letting someone else do it) for a business lunch or dinner or a trip to a sporting event or the theater is usually permissible. But a clear business purpose should be involved. If in doubt about whether a gift or entertainment is appropriate, ask the Compliance Officer.
4. Use of the name or the purchasing power of CMCO to obtain discounts or rebates on purchases made for personal use, other than offers made to all employees, is inappropriate.
5. Relatives of CMCO's President, Vice Presidents, members of the Board of Directors and other employees who may be designated in writing by the President may not be employed by CMCO. Additionally, employees may not work under the general or immediate supervision of a relative.

## **B. Antitrust Compliance**

The United States federal government, most state governments, the European Economic Community and many foreign nations have adopted antitrust laws. In broad terms, these antitrust laws make it illegal to engage in activities that reduce competition or restrain trade. The antitrust laws are designed to ensure the existence of a

competitive marketplace for business and consumers. CMCO firmly believes in those principles, and it is strict CMCO policy that all antitrust statutes must be complied with in every respect. The penalties for breaking antitrust laws are severe. You could lose your job, incur large fines or go to prison. In addition, your improper actions could cause the Company to pay large fines or expose it to criminal liability and civil suits for damages. Even if you are ultimately found not to have violated the antitrust laws, if you are suspected of a violation, the resulting investigation and accusations can cause you, your family and the Company substantial anguish and financial burden.

### **1. Pricing Decisions.**

The most dangerous area of the antitrust laws involves prices and pricing procedures. It is clear that unless pricing decisions are unilateral in nature (i.e., made independently by the Company, without any agreement, arrangement or understanding with another business or person), substantial legal problems will arise under the antitrust laws. The Company must always make independent pricing decisions on each of its products. Therefore, no employee of the Company is permitted to discuss or exchange prices or to discuss or exchange information as to costs or terms or conditions of sale with any competitors. The following are examples of agreements among competitors, whether reached by express contract or unwritten understandings that would be in violation of the antitrust laws:

- to fix selling prices (maximum, minimum or otherwise);
- to change prices simultaneously;
- to fix buying prices for raw materials;
- to limit production;
- to divide markets;
- to refrain from bidding on any order or job;
- to discontinue selling to one or more customers;
- not to advertise prices;
- not to sell at less than a certain mark-up even though there is no agreement as to the precise price to be charged;
- not to buy from or sell to particular persons or classes of customers;
- not to sell or buy in a particular market area.

Many of these same actions are not prohibited by the antitrust laws if they are undertaken unilaterally. However, they can easily result in antitrust prosecution if it appears that the Company acted through an agreement with a competitor. If you have any question as to the propriety of any contemplated action in these areas, you should seek advice from the Compliance Officer before taking any action.

## **2. Industry Gatherings and Trade Associations**

Trade association meetings and other industry gatherings provide a danger area under the antitrust laws because they bring together competitors, people with common interests and problems, who are very prone to discuss matters of mutual concern. The most serious problems are apt to arise at informal social gatherings before or after the official portion of a gathering. Be particularly careful at such gatherings to avoid the topics of conversation set forth above. All but the minimum pleasantries with competitors must be avoided. Do not place yourself in a position where later in time someone might recall you as being present in a conversation with one of CMCO's competitors.

You should always keep in mind that antitrust violations are usually proven by circumstantial evidence. Any contact with competitors, including at trade association meetings, social gatherings or similar activities is potentially hazardous. Any contact should be undertaken with caution and with the recognition that no matter how innocent it actually may be, such contact could lead to accusations of price fixing or other anti-competitive arrangements. Whenever you have doubts about the propriety of contacts with competitors, terminate the contact immediately and seek the advice of the Compliance Officer.

## **3. Dealing with Suppliers and Customers**

Conducting business with suppliers and customers can pose antitrust and other ethical and legal problems. The following guidelines are intended to help employees make ethical decisions in these potentially difficult situations:

### **a. "Kickbacks" and Rebates**

Purchase or sale of goods and services must not lead to employees or their families receiving, or CMCO giving, kickbacks or rebates. "Kickbacks or rebates" can take many forms and are not limited to direct cash

payments or credits. In general, if you or your family stands to gain personally through the transaction, it is prohibited. Such practices are not only unethical, but are in many cases illegal.

### **b. Reciprocity**

In many instances, CMCO purchases goods or services from a supplier who also buys goods or services from us. This practice is normal and acceptable, but any form of pressure for reciprocity with that supplier is not. Suppliers must not be asked to buy our products or services in order to become or continue to be a supplier to CMCO.

### **c. Price Discrimination**

United States Federal law (the Robinson-Patman Act) prohibits selling the same products at different prices, or under different terms, services or allowances to different customers who compete or whose customers compete in the distribution of CMCO's products. Under most circumstances, this law also prohibits CMCO, when buying products, from inducing or accepting such discriminatory prices, terms, services or allowances. Other countries may have similar laws and you should be aware of these issues and consult with the Compliance Officer if these circumstances may arise to determine the applicability of the Robinson-Patman Act or any other law to the contemplated actions.

## **4. Other Restrictive Actions**

Other types of restrictive activities such as boycotts, dealer terminations and below cost pricing have the potential to violate antitrust laws. If you have any doubt as to whether an activity or decision involves a potential antitrust violation, you should ask your immediate supervisor, your department head or the Compliance Officer.

## **5. Accurate and Timely Periodic Reports**

CMCO is committed to providing investors with full, fair, accurate, timely and understandable disclosures in the periodic reports that it is required to file. To this end, CMCO shall:

- comply with generally accepted accounting principles at all times;
- maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded;

- maintain books and records that accurately and fairly reflect CMCO's transactions;
- prohibit the establishment of any undisclosed or unrecorded funds or assets;
- maintain a system of internal controls that will provide reasonable assurances to management that material information about the Company is made known to management, particularly during the periods in which the Company's periodic reports are being prepared; and
- present information in a clear and orderly manner and avoid the use of legal and financial jargon in the Company's periodic reports.

### **C. Trade Secrets and Confidential Information**

It is important for all employees to appropriately safeguard CMCO's trade secrets and confidential information and to refuse any improper access to trade secret and confidential information of other companies, including our competitors. To protect its trade secrets and confidential information, CMCO may require all employees to sign a confidentiality agreement.

The following guidelines will help you comply with your confidentiality obligations:

1. All employees must maintain and protect the confidentiality of all Confidential Information, whether obtained from or relating to CMCO and/or its suppliers, vendors, customers or other third parties having a confidentiality agreement with CMCO, except when disclosure is authorized by the Compliance Officer. This obligation lasts during the entire term of one's employment with CMCO and at all times thereafter.
2. Trade secrets and confidential information to which Company personnel may have access should be discussed with others within the Company only on a need-to-know basis. Similarly, employees should not attempt to obtain or learn Confidential Information that they do not need to know to perform their own employment duties.
3. Disclosure of trade secrets and confidential information to any outside persons should be done only in conjunction with an approved disclosure agreement with the outside parties prior to any disclosure of trade secrets and confidential information.

4. Personnel must be alert to inadvertent disclosures of trade secrets and confidential information which may arise in either social conversations or in normal business relations with our suppliers and customers.

Keep in mind that trade secrets and confidential information include sensitive, restricted information which is not generally disclosed and which is useful or helpful to CMCO or which would be useful or helpful to our competitors. Common examples include such things as computer software, systems, databases, documentation and all data therein, product design and related information, financial data, sales figures, planned new projects or planned advertising programs, areas where CMCO intends to expand, lists of suppliers, lists of customers, CMCO area or industry wage surveys, CMCO compensation analyses, personnel information, capital investment plans, projected earnings, strategic restructuring plans, including related personnel changes, testing data, manufacturing methods, suppliers' prices to us, plans we may have for improving any of our products, inventions, research and development, product specifications, costs and cost projections, blueprints, licenses and profits and profit margins. For an item to be deemed a trade secret or confidential information, it must be similar in nature and character to the foregoing examples.

#### **D. Environmental and Workplace Standards**

It is Company policy to comply with all laws and regulations concerning the environment and safety in the workplace. CMCO's highest priority is protecting the safety and health of our employees, customers and the communities where we do business. Also, substantial fines and other penalties can be assessed against CMCO for violation of applicable environmental and workplace laws.

In the United States, the Occupational Safety and Health Administration requires compliance with specific mandated standards, including the General Duty Clause that employers must furnish a workplace "... free from recognized hazards that are causing or are likely to cause death or serious physical harm to employees." The requirements include employee training, written safety programs and workplace inspections. Similar laws are in effect in other countries where CMCO operates. These include: the European Framework Directive on Safety and Health at Work,

which applies to our facilities in the European Union member states: the Emergency Preparedness and Occupational Health Directorate in Canada; the Production Safety Law, Labor Law and other relevant laws and regulations governing workplace safety in The Peoples Republic of China; and the Federal Regulation for Occupational Safety and Sanitation and the Environment, which specifies employer and employee responsibilities with respect to safety and health in Mexico. It is the responsibility of local management to be aware of and comply with all laws, rules and regulations applicable to their respective facilities. For assistance in this regard, you should contact the Compliance Officer.

All levels of management have responsibility for continually promoting and encouraging safe work practices. Further, it is essential that all employees observe and promote safety in the workplace, follow all safety guidelines and instructions established by CMCO, and observe all warning signs, restrictions and safety directives posted in the workplace or otherwise communicated to you. This includes, without limitation, wearing and using all appropriate, required, or provided safety equipment and protective devices. Individual departments may adopt safety requirements and procedures applicable to the employees in that particular department, and compliance with those safety requirements and procedures is required. Any violation of CMCO safety procedures or the discovery of any unsafe working condition should be immediately reported to your immediate supervisor, department head or safety officer, CMCO's Corporate Safety and Health Manager or the Compliance Officer.

It is essential that you become familiar with the environmental permits, laws and regulations which apply to your department and comply with them. Department heads will provide additional information and ongoing training concerning environmental protection and workplace safety as these relate to each individual department.

If you know of or suspect that an environmental violation at CMCO has occurred, is occurring or may occur in the future, you must bring the matter to the attention of your supervisor, department head or safety officer, CMCO's Manager of Environmental Systems or the Compliance Officer.

Environmental compliance and accident prevention are critical operating responsibilities. They demand the same management and control that is given to other aspects of improving efficiency in operations. Department heads and supervisors, therefore, are directly responsible for continuous efforts towards protecting the environment and preventing accidents.

## **E. Anti-Corruption Laws**

The United States Foreign Corrupt Practices Act (“FCPA”), the United Kingdom Bribery Act 2010 (“Bribery Act”), the Organization for Economic Co-operation and Development Convention on Combating Bribery of Foreign Officials in International Business Transactions, Article 164 of the Criminal Law of the Peoples Republic of China and similar laws are laws enacted to prevent companies and their employees from engaging in the bribery of officials and persons to secure an unfair advantage (collectively, the “Anti-Corruption Laws”). The FCPA prohibits the corrupt payment (or offering, promising, or authorizing the payment) of anything of value to a foreign official to assist in obtaining or retaining business, or to gain any improper advantage. A foreign official is any officer or employee of a foreign government, foreign state-run or state-owned enterprise or entity, public international organization or foreign political party, or anyone acting on behalf of a foreign government. The Bribery Act prohibits giving, receiving, offering and accepting of a payment or other advantage either directly, or through a third party, intended to induce or reward the improper performance of a relevant function by the person receiving the payment or another person. The Bribery Act also prohibits the payment of facilitation payments to foreign officials for routine government actions. The Bribery Act applies to all persons, regardless of whether they are in the public or private sector.

Anti-Corruption Laws provide for serious penalties to the Company and its employees involved in a violation, including severe fines and criminal prosecution.

It is the policy of CMCO that each of our employees, officers, directors, vendors and all other third parties that do business with us (including those of our subsidiaries) strictly comply with the Anti-Corruption Laws of the United States, United Kingdom and of the other foreign countries where we do business. Bribery of any kind in the United States, United Kingdom and elsewhere abroad, regardless of

foreign custom or practice, is strictly prohibited. No CMCO employee, officer, director, vendor or any other third party with whom we do business shall make any payment, including facilitation payments, or provide anything of value, such as a gift, meal, or any other benefit or hospitality, to any person, in order to improperly influence that person to obtain or retain business, direct business to another person or entity, or otherwise secure any improper advantage for CMCO. CMCO employees, officers, directors, vendors and other third parties acting on CMCO's behalf are likewise prohibited from accepting any such payment, gift or other benefit.

The Anti-Corruption Laws also require the Company to maintain accurate books and records and accounting controls to prevent and detect unlawful activity. Therefore, it is the policy of CMCO that each of our employees, officers, directors, vendors and other third parties acting on CMCO's behalf make and keep books, records and accounts, which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company and any of its subsidiaries or partners. These accounting provisions of the FCPA apply to all CMCO's foreign wholly owned or foreign controlled subsidiaries.

Adhering to these standards may at times place the Company in a noncompetitive position; however, strict compliance with these standards and the law is of a greater value to us than any business that may be lost as a result of compliance.

The Company's policy regarding compliance with the Anti-Corruption Laws applies to all CMCO employees and operations worldwide. It applies to the Company's (including subsidiaries) own employees, officers, and directors, as well as third parties with whom the Company does business, i.e., all vendors, authorized distributorships and other third parties.

CMCO's Compliance Officer should be contacted whenever there is a question concerning any Anti-Corruption law, the legality of any proposed transaction or any aspect of CMCO's actions, either within or outside of the United States.

#### **F. International Boycotts**

It is against CMCO policy to enter into an agreement to refuse to deal with a potential or actual customer or

supplier as part of an international boycott or to otherwise take part in any international restrictive trade practices. Any employee receiving a request to take part in any international boycott or other international restrictive trade practice must report the request to the Compliance Officer. The Company may be required by United States federal law to report the request to the appropriate authorities.

## **V. RELATIONS WITH THIRD PARTIES**

### **A. Political Contributions**

Only the Board of Directors of CMCO may make decisions concerning the making of political contributions by or on behalf of the Company. The Board of Directors will not permit CMCO to make political contributions where it is illegal or improper to do so. Employees are not permitted, in any way, to make contributions on behalf of CMCO, directly or indirectly, to any candidate or party or to any organization that might use the contribution for a political candidate or party.

### **B. Entertainment & Gifts**

The Company will treat fairly and impartially all persons and firms with whom it has business relationships. The acceptance of gifts, entertainment, favors, personal discounts and similar gratuities might influence or raise doubts as to the impartiality of the recipient, damage the Company's reputation for fair dealing and violate anti-kickback and bribery laws. Misunderstandings usually can be avoided by conduct which makes clear that CMCO and its employees transact business on an ethical basis and will not seek or grant special favors.

No employee may entertain or be entertained, or give or accept gifts or favors of value in his or her business relationships with any person or business with whom CMCO does business unless the entertainment, gifts or favors meet all of the conditions listed below. Employees should consult the Compliance Officer if they have any question or concern regarding the appropriateness of any entertainment, gifts or favors. In order to be appropriate, entertainment, gifts and favors must be such that:

1. they are consistent with accepted business practices;
2. they are of sufficiently limited value, and in a form that will not be construed as influencing or rewarding a particular course of action;

3. they are not in violation of applicable law and generally accepted ethical standards;
4. public disclosure of the facts will not embarrass the Company; and
5. they will not be used to influence an employee, customer or supplier improperly or to knowingly violate a customer's or supplier's own rules against acceptance of gifts or entertainment.

### **C. Unethical Practices by Persons Other Than Employees**

Situations might arise in which possible unethical or illegal conduct on the part of a person other than a CMCO employee comes to your attention. For example, a customer, supplier or government official might be offering or accepting a bribe or "kick-back." In such a situation, all possible steps should be taken to avoid any direct or indirect participation or implication in such conduct. In addition, the possible existence of such unethical conduct on the part of others should be reported immediately to an employee's immediate supervisor or department head or to the Compliance Officer. Under no circumstances shall an employee of CMCO encourage, directly or indirectly, unethical, illegal, or improper conduct on the part of another person.

## **VI. DISCIPLINE**

CMCO Personnel are expected to observe CMCO's policies and to maintain appropriate standards of conduct at all times. Because CMCO believes strongly in ethical conduct, if a director's, officer's, employee's, contractor's or consultant's behavior violates the policies or ethical standards set forth in this Manual or interferes with the orderly and efficient operation of CMCO business, appropriate corrective disciplinary measures will be taken. Disciplinary action may include a verbal warning, written warning, suspension without pay and discharge. The appropriate disciplinary action will be determined by the Company. Subject to compliance with applicable law relating to disciplinary procedures, one form of disciplinary action will not necessarily precede another.

## **VII. WAIVERS**

The provisions of this Manual may be waived for directors or executive officers only by a resolution of CMCO's independent directors. The provisions of this Manual may be waived for employees who are not directors or executive officers by the Company's Vice President of Human Resources upon the advice and consent of the Compliance Officer. Any waiver of the provisions of this Manual granted to a director or executive officer will be publicly disclosed as required by the securities exchange or association on which CMCO's securities are listed for trading. Any change in or waiver of the provisions of this Manual for senior financial officers will be publicly disclosed as required by the Securities Exchange Commission.

## **VIII. SUMMARY**

This Manual applies to all CMCO Personnel around the world and affirms our commitment to the highest standards of integrity in our relationships with one another and customers, suppliers, shareholders and others in the communities where we live and work. Even if you are ultimately found not to have violated the policies and rules set forth herein, if you are suspected of a violation, the resulting investigation and accusations can cause you, your family and CMCO substantial anguish and financial burden. CMCO Personnel will receive this Manual and are expected to read it carefully. Questions about it should be forwarded to your immediate supervisor, department head or Compliance Officer. Supervisors will review it with their people at least once every two years.



Columbus McKinnon Corporation  
205 Crosspoint Parkway  
Getzville, New York 14068 USA  
800.888.0985

[www.cmworks.com](http://www.cmworks.com)

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