

ANTI-CORRUPTION POLICIES AND PROCEDURES

In accordance with its Business Ethics and Compliance with Law Policy, it is the policy of Crane & Co., Inc. and its subsidiaries and affiliates (collectively, “Crane” or the “Company”) to comply fully with all laws governing its operations and to conduct its business in keeping with the highest moral, legal and ethical standards. Therefore, Crane does not tolerate bribery or corruption and we are committed to acting professionally, fairly, and with integrity in all of our business activities and relationships.

The following policies and procedures are intended for Crane’s officers, directors, and employees as well as third-party agents, representatives, intermediaries, consultants, advisors, vendors and suppliers (hereinafter referred to as “Company Personnel”) to ensure compliance with all applicable anti-corruption and anti-bribery laws, regulations and standards, including but not limited to the Foreign Corrupt Practices Act (“FCPA”), UK Bribery Act and related laws of other countries in which Crane does, or intends to do, business. Crane reserves the right to amend, rescind or replace these policies and procedures at any time.

*Anti-corruption law is a detailed area of the law and the failure to comply can have serious consequences for Crane and individuals acting on Crane’s behalf. **Violations of these policies and procedures will subject you to disciplinary action and possibly termination by Crane, as judged appropriate on a case-by-case basis.***

The prevention, detection and reporting of any form of bribery or corruption are the responsibility of all Company Personnel. You must notify Compliance as soon as possible if you are offered a bribe, are asked to make one, suspect that this may happen in the future, believe that you are a victim of another form of unlawful activity or have any questions about this policy. Company Personnel who refuse to take part in bribery or corruption, or report in good faith under this policy their suspicion that actual or potential bribery or other corruption has taken place or may take place will be protected from disciplinary action or retaliation connected with raising a concern. You should not hesitate to contact the Crane Co. Ethics and Compliance Hotline: 888-310-9567 (for callers within North America) or +1-770-613-6318 (for callers outside North America) or by email at ethics@craneco.com.

Förebyggandet, upptäckten och rapporteringen av någon form av muta eller korrupktion är alla Medarbetares ansvar. Du är skyldig att meddela Compliance-avdelningen snarast möjligt för det fall du erbjuds en muta, ombeds utge en muta, misstänker att det kan ske i framtiden, misstänker att du fallit offer för någon annan form av olaglig aktivitet eller har några frågor rörande denna policy. Medarbetare som vägrar ta del i mutbrott eller korrupktion, eller som i god tro och i enlighet med denna policy rapporterar misstanke om faktiskt eller potentiellt mutbrott eller att annan korrupktion förekommit eller kan komma att förekomma, kommer skyddas från disciplinära åtgärder eller repressalier i samband därmed. Tveka inte att kontakta Crane Co. Ethics and Compliance Hotline: 888 310 9567 (för samtal inom Nordamerika) eller +1 770 613 6318 (för samtal utanför Nordamerika) eller via e-post ethics@craneco.com

I. POLICY

Anti-corruption laws such as the FCPA and UK Bribery Act aim to enhance public confidence in our business institutions and to prevent unfair competition by ensuring that business with foreign governments is transacted in a fair, open and transparent manner. These laws directly affect daily business relationships with foreign governments and government-owned companies in the many countries in which Crane operates. As described more fully below, these laws prohibit the bribery of foreign officials or public officials, require companies to maintain adequate internal accounting controls, and require companies to keep financial books and records that accurately reflect all transactions. Improper payments, gifts or offerings of “anything of value” to foreign officials or public officials could result in substantial monetary fines, sanctions and legal liability, as well as severely jeopardize Crane’s brand and reputation. Such improper activity will not be tolerated.

Company Personnel who are in any way involved in international business activities are required to read and comply with these policies and procedures. Adherence to these policies and procedures is mandatory to comply both with U.S. law (which applies even to foreign agents operating exclusively overseas) and with Crane’s own corporate standards of ethical conduct. Where local customs, standards, laws or other local policies exist that are stricter than the provisions of this policy, the stricter rules must be complied with. However, if this policy stipulates stricter rules than local customs, standards, laws or other local policies, the stricter provisions of this policy shall apply. Adherence to these standards is an essential component of each person’s corporate responsibility and performance for Crane. These standards are as important to Crane as the products and services we sell.

Compliance will conduct periodic audits of these policies and procedures, and will update them as needed. Annual certifications of compliance with this policy may be required by relevant Company Personnel, as will participation in training sessions as determined by Compliance and management.

II. SCOPE

1. The prohibition on bribery extends broadly. Anti-corruption and anti-bribery laws make it a crime to give, pay or offer anything of value, directly or indirectly, to any officer or employee of a foreign government, anyone acting on behalf of a public international organization, or any other person acting in an official capacity, in order to obtain or retain business or gain an improper business advantage. It is not necessary for something of value to change hands; an offer or promise to give something of value (even in the future) may constitute a violation. Therefore, all Company Personnel are strictly prohibited from engaging in the following conduct, directly or indirectly, with a foreign official or a public official:

- **Bribes**, including giving or offering to give any money, stock, gift, entertainment, discount, product or service that is not readily available to the public; offering employment; assuming or forgiving debt; paying or reimbursement of travel expenses; granting personal favors; or providing anything else of value to any foreign official or public official or third party in order to obtain or retain business. This also includes giving, promising to give, or offering a payment, gift or entertainment to a foreign official or public official or third party to ‘facilitate’ or expedite a routine procedure.
- **Political contributions** to political parties, candidates or officials to obtain their support for executive, legislative, ministerial, administrative or other action(s) that may be favorable to Crane.

- **Charitable contributions, community projects or sponsorships** that are dependent upon, or made to secure, a business deal or benefit.
- **Third party payments** or offers to give any money, gift or anything else of value to a third party when there is knowledge, either actual or implied, that it will be offered to a foreign official or public official in order to obtain or retain business. Note that Crane can be held liable for the actions of third parties that are taken on our behalf, even if we did not approve or are otherwise unaware of such actions.

These are explained in further detail below. Refer to Appendix A for a full list of relevant terms and definitions.

2. The person making or authorizing the payment must have a corrupt intent. Anti-corruption laws such as the FCPA prohibit any corrupt payment intended to influence any act or decision of a foreign official or public official in his or her official capacity, to induce the official to do or not do any act in violation of his or her lawful duty, to obtain any improper advantage, or to induce a foreign official or public official to use his or her influence improperly to affect or influence any act or decision. Such act or decision need not necessarily be with the foreign government or foreign government instrumentality.

When it comes to bribes, it should be noted that a person’s own perception of his or her own intent is irrelevant. Any transaction which *objectively has the potential* to affect the receiver’s execution or performance of certain assignment (or *could be perceived* as a reward for the performance or execution of a certain assignment) could constitute a bribe and be grounds for fine or imprisonment.

It should further be noted that in some cases intent is not required. If a business representative of Crane provides money or other assets to a person representing Crane and thereby, through gross negligence, encourages the giving of a bribe, such behavior constitutes a “negligent financing of bribery”.

3. Anti-corruption laws prohibit paying, offering, promising to pay (or authorizing to pay or offer) money or anything of value. These laws prohibit the direct or indirect payment of any bribes, kickbacks or other inducements, whether in cash, goods, or services, for the purpose of obtaining or retaining business for or with, or directing business to, any person. Prohibited payments can be in the form of, among other things, expensive gifts, charitable donations, college scholarships, all-expense-paid trips, or excessive entertainment. They can also be in a disguised form, such as ancillary business ventures, assumption or forgiveness of debt, and personal favors (e.g., hiring a relative of the government official).

Anti-corruption laws such as the FCPA and UK Bribery Act also prohibit corrupt payments to foreign officials or public officials through intermediaries, including joint venture partners or agents. It is unlawful to make a payment to a third party while knowing that all or part of the payment or “fee” will go to a foreign official or public official. If circumstances indicate that a firm or individual “turned a blind eye” to conduct that violates these laws’ anti-bribery provisions, the firm or individual will be deemed to have knowledge of the illegal conduct. The person making the payment is deemed to *know* that it will be reoffered or passed on if he or she has a firm belief that this will occur, is aware that this is substantially certain to occur, or is merely aware of a high probability that this will occur.

4. The prohibition extends to payments to a foreign official, a foreign political party or party official, or any candidate for foreign political office. A “foreign official” means any officer or employee of a foreign government, a public international organization such as the World Bank or the Red Cross, or any person acting in an official capacity. Thus, a member of a royal family, a member of a legislative body, or an official of a state-owned business such as a state-owned oil company may be considered a “foreign official” in some circumstances. A consultant or negotiator who represents a state-owned business could also be considered a “foreign official.”

The UK Bribery Act strictly prohibits any payments, regardless of size, to foreign officials. The FCPA also applies to payments to *any* public official, regardless of rank or position, and focuses on the purpose of the payment instead of the particular duties of the official. It should also be noted that these laws extend the scope of these policies and procedures to so-called “politically exposed” or “politically connected persons.” These are individuals who may be appointed by a government or an international organization to a high-profile position, and who have held that position within the last twelve months. It also includes family members or close business associates of such persons. Compliance must screen and approve the hiring of any employees, agents, consultants or representatives to determine whether the candidate is a “politically exposed person,” and any sponsorships, charitable contributions, donations or other business activities must receive prior written approval from Compliance as well the General Counsel and President of Crane Currency to avoid even the appearance of undue influence with regard to these individuals.

5. Payments are prohibited when they are for a business purpose. The FCPA prohibits payments made to assist in *obtaining* or *retaining business* for or with, or *directing business* to, any person. The U.S. Department of Justice interprets “obtaining or retaining business” broadly, to encompass much more than the mere award or renewal of a contract. It is important to note that the business in question does *not* need to be with a foreign government or foreign government instrumentality.

III. SPECIAL PAYMENT PROVISIONS

This section covers “special payment” provisions, including facilitation payments, gifts, promotional or marketing payments, donations and sponsorships, and describes the limited and specific circumstances under which they may be permitted. All Company Personnel are subject to the “Gifts, Loans and Entertainment” section of the Crane Co. Conflicts of Interest Policy in addition to the following provisions.

Although actions similar to those described below may also be covered by these special payment provisions, relying on these exceptions can be risky. Even though these special payments might be legal under U.S. law, they are illegal under the laws of many other countries. For example, the FCPA permits “facilitating payments” under certain conditions but these payments violate the UK Bribery Act and are therefore also prohibited by Crane. In addition, “routine governmental action” does *not* extend to any decision by a foreign official or public official to award new business or to continue business with a particular party.

A. Facilitation Payments – Since these types of payments, which may be relatively small payments to expedite clearance through customs or facilitate other “routine governmental action,” are illegal according to the UK Bribery Act and most countries’ anti-bribery laws, Crane prohibits facilitation payments or

kickbacks of any kind. However, where a facilitation payment is being extorted or you are being coerced to pay it and your safety or liberty is under threat, then you should pay the facilitation payment and report this to Compliance as soon as possible.

B. Gifts, Hospitality and Entertainment – We appreciate that the practice of giving business gifts or entertainment and extending hospitality vary between countries and regions, and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable, justifiable and proportionate, and the intention behind the gift should always be considered. Accordingly, while there is no *de minimis* provision under most anti-corruption laws such as the FCPA (i.e., they cover improper transactions of any amount), the laws and this policy do not prohibit normal and appropriate gifts, hospitality or entertainment (given and received) to or from third parties. However, “anything of value” (defined in Appendix A) provided to a foreign official or public official must not be related to any decision by the foreign official or public official regarding whether, or on what terms, to award new business to, or continue business with, a particular party, nor does it include any action taken by a foreign official or public official involved in the decision-making process to encourage a decision to award new business to, or continue business with, a particular party.

Any gifts or entertainment over \$100 USD (One Hundred US Dollars), whether or not reimbursed by the Company, must have prior written approval from Compliance *and* must:

- not be cash or a cash equivalent (e.g., gift cards or vouchers);
- be reasonable and customary under the circumstances;
- not be motivated by a desire to influence the foreign official or public official inappropriately;
- be tasteful and commensurate with generally accepted standards for professional courtesy in the country where it is given;
- be provided openly and transparently in the Company’s name;
- be given in good faith and without expectation of reciprocity;
- be provided in connection with a recognized gift-giving holiday or event in the case of gifts;
- be provided in connection with a bona fide and legitimate business purpose in the case of hospitality and travel;
- not be provided to any foreign official or public official or group of foreign officials or public officials with such regularity or frequency as to create an appearance of impropriety or undermine the purpose of this policy;
- comply with the local laws and regulations that apply to the foreign official or public official; and
- be properly recorded as a “gift.”

In circumstances where it is impractical to obtain prior written approval from Compliance, a gift may be made as long as the total value does not exceed \$100 USD and the details and circumstances of the gift are reported in writing to Compliance within seven business days.

Even if a particular transaction is approved it must be properly recorded as a “gift.” In the case of the FCPA, for example, the law will be violated if the transaction is not properly recorded as a gift. This means that the entry in the financial books and records must accurately reflect the amount, date, purpose and recipient of the gift, as well as clearly reflect that the transaction was a “gift” for which prior written approval or post-clearance was received.

C. Promotional or Marketing Payments - Any “promotional” or “marketing” payments should seek to improve the image of the Company as a commercial organization, to better present its products or services, or establish new relationships. A promotional or marketing payment is strictly prohibited unless it meets all of the following conditions:

- The payment is made for certain reasonable, bona fide expenses incurred while promoting Crane to foreign officials or public officials, hosting a tour of foreign officials or public officials at a Crane facility or entertaining employees of a foreign state-owned firm;
- The payment is not prohibited by local law;
- Prior written approval is obtained from Compliance for promotional or marketing payments that exceed \$100 USD per person. The provision of token gifts and promotional items such as t-shirts, calendars, pens and other such similar items of modest value (i.e., under \$100 USD) is permissible;
- Within seven business days, the promotional or marketing payment is reported in writing to Compliance stating the amount, date, purpose and recipient of the promotional or marketing payment; and
- The transaction is properly recorded as a “promotional payment” or “marketing payment.”

IV. AFFIRMATIVE DEFENSES UNDER THE FCPA

The FCPA provides two “affirmative defenses” which can be used to defend against alleged violations of the FCPA anti-bribery provisions. As an affirmative defense, a person may assert that (1) the payment was lawful under the written laws and regulations of the foreign country, or (2) the payment was a reasonable and bona fide expenditure (such as travel and lodging) directly related to demonstration of a product or execution of a contract.

Whether a payment was lawful under the written laws of the foreign country may be difficult to determine. In particular, it is highly unlikely that the written law of any country specifically authorizes corrupt payments to its public officials. Payments that are unlawful in the foreign jurisdiction are prohibited, even if they are considered customary. Similarly, “reasonable and bona fide” expenditure may be narrowly interpreted.

Moreover, because these are both “affirmative defenses,” the burden and challenge of showing that the payments met these requirements falls to the defendant; the prosecution does not have to show that the payments did not meet the requirements.

Compliance with the FCPA and other anti-corruption laws should not prevent you from conducting business on behalf of Crane in the normal and ordinary course. Routine expenses and entertainment of potential and existing clients of a non-substantial nature are not prohibited and are, in fact, encouraged. Similarly, providing samples of merchandise to potential purchasers is not prohibited, particularly when the value of the samples is small with respect to the value of the contract. However, you should consult with Compliance if the expense or entertainment seems out of the ordinary or substantial by U.S. standards. Crane is relying on you to use your good judgment. If you would hesitate to have a particular expenditure exposed to public scrutiny, discuss it in advance with Compliance.

V. PENALTIES FOR FCPA VIOLATIONS

A. Criminal Penalties. The U.S. Department of Justice (DOJ) is responsible for criminal enforcement of the FCPA. Criminal penalties for violations can be quite severe. Corporations and other business entities are subject to multimillion dollar fines; officers, directors, stockholders, employees, and agents are also subject to substantial fines and imprisonment for up to five years. Under the Alternative Fines Act, fines can actually be much higher—the fine can be up to twice the benefit that the defendant sought to obtain by making the corrupt payment. *It is important to note that fines imposed on individuals may not be paid by their employer or principal.*

B. Civil Penalties. In addition to criminal penalties, the DOJ may bring a civil action for a fine against any firm as well as any officer, director, employee, or agent of a firm, or stockholder acting on behalf of the firm. The DOJ may also bring a civil action to enjoin any act or practice of a firm whenever it appears that the firm (or an individual acting on behalf of the firm) is in violation or about to be in violation of the anti-bribery provisions.

C. Other Governmental Action. A person or firm found in violation of the FCPA may be barred from doing business with the U.S. government. If an executive agency has debarred, suspended or otherwise excluded a party from participation in a procurement or non-procurement activity that party cannot participate in any other agency’s procurement or non-procurement activity. *Indictment alone can lead to suspension of the right to do business with the government.*

A person or firm found guilty of violating the FCPA may be ineligible to receive export licenses. In addition, a payment made to a foreign government official that is unlawful under the FCPA cannot be deducted under the tax laws as a business expense.

D. Private Causes of Action. Conduct that violates the anti-bribery provisions of the FCPA may also give rise to a private cause of action under other federal or state laws. A private cause of action allows another firm or individual to bring suit for violation of the bribery prohibitions. For example, an action might be brought by a competitor who alleges that the bribery caused the defendant to win a foreign contract.

VII. PROCEDURES FOR REPORTING PROBLEM SITUATIONS

The information provided above is intended to serve as a preventive tool to assist Company Personnel in recognizing and avoiding potential violations of the FCPA, UK Bribery Act and other anti-corruption laws. Company Personnel have an affirmative obligation to become familiar with, and abide by, these policies, procedures and relevant laws. It is essential that you carefully review these procedures and keep them in mind when conducting business or representing Crane in foreign countries, and seek guidance when you have any concerns about the appropriateness of a particular course of action.

If a situation arises that you believe may be prohibited by the FCPA or other anti-corruption laws, or may otherwise be in violation of Crane's corporate standards, you must contact Compliance before you take any action. You must provide Compliance with a complete account of the situation and the circumstances giving rise to it. Compliance will advise you as to how Crane wishes you to proceed in the matter. You should also advise Compliance when confronted with competitors who appear to be violating the FCPA or other anti-corruption laws, or foreign competitors who do not have to comply with such laws in their countries.

Notification and consultation with Compliance is mandatory in any situation where there may be a violation of the FCPA, other anti-corruption laws, or Crane's corporate standards. Crane will deem it a violation of this policy if you act in contravention of the directions of Compliance or otherwise violate the FCPA or other anti-corruption laws.

You also have the option to submit an inquiry or report on a confidential and anonymous basis by immediately contacting the Crane Co. Ethics and Compliance Hotline: 888-310-9567 (for callers within North America) or +1-770-613-6318 (for callers outside North America) or by email at **ethics@craneco.com**. If a preliminary investigation determines that a violation may have occurred, further information will be required and anonymity cannot be assured in those instances.

VIII. THIRD-PARTY AGENTS

A. The Role of Agents

Business intermediaries, such as third-party representatives and consultants (collectively, "agents"), can play a pivotal role in bridging the gaps of distance, time, custom and language between the corporate culture of a company and local business communities. In that regard, companies retain agents for a number of reasons, including to:

- gain access to and build relationships with senior government officials;
- explore business opportunities in new regions without the expense of hiring or relocating employees;
- penetrate an opaque or tight local market;
- comply with local law which may require the use of a resident intermediary;

- fulfill a business model that depends on a large volume of modest sales across a number countries – a model that does not readily support a large international workforce;
- expand an in-country presence on a temporary basis with as little financial risk as possible;
- assist with the logistics of importing and exporting goods abroad;
- provide assistance with licensing and permit requirements; and
- provide legal or accounting services and advice in a local jurisdiction.

Regardless of the actual authority given to them by the Company, agents often are thought to speak for the corporate office. When a company has no local employees in the country, agents may have extraordinary access to customers. For this reason, most anti-bribery laws expressly state that companies may not make inappropriate payments either directly or indirectly, *through intermediaries or agents*.

The pressure on agents to close a deal representing months or years of effort and expense is extraordinary. Many agents are compensated on a purely commission basis. They are often paid only when their efforts result in a government contract and are often not reimbursed for expenses accrued on behalf of their principal. There is significant pressure to make a payment to a government official to “ensure” success.

In order to mitigate the risk associated with sales agents and key commercial agents, Crane shall:

- only appoint agents with a proven track record and reputation, which includes not taking/paying bribes or being involved in corrupt practices;
- obtain approval from Compliance prior to the appointment of the agent and determining his or her compensation. Compliance will conduct appropriate screening and due diligence on all agents prior to their appointment, which will be documented and retained for audit trail purposes;
- provide sufficient training and ensure agents have appropriate procedures in place to minimize the risk of bribery and corruption;
- obtain a signed contract from all agents, including applicable anti-bribery and anti-corruption provisions and certification; and
- carry out annual performance reviews of the agent and re-perform due diligence as needed.

B. Due Diligence Procedures for Agents

1. Risk Assessment and Initial Vetting. As with all employees or business partners, the initial stage in the vetting and retention of an agent should be a methodical search for the most qualified person or company. Accordingly, the due diligence questionnaire process should include the following elements:

- Documenting the business justification for selecting the agent, including whether alternative candidates were considered and whether there are employees in-country who could fulfill the same role;
- Assessing the risk posed by an agent in order to determine which level of due diligence is appropriate for the relationship. Compliance will manage this risk assessment process by utilizing a combination of internal and external resources, such as Transparency International’s “Corruption Perceptions Index” and reports published by firms such as TRACE, PwC, and Thomson-Reuters;
- Documenting the expertise and resources that the proposed agent brings to the marketing he or she will undertake;
- Documenting the justification for the proposed term and compensation for the agent; and
- Documenting the approval of the proposed agent as well as his or her term and compensation by the , SVP of Global Sales, Senior Regional Sales Director and Regional Sales Director.

A Company employee familiar with the local business strategy (typically, the Regional Sales Director) should undertake the initial review, following receipt of the approval of Compliance. Copies of the due diligence records will be maintained by Compliance.

2. Background Review. If the justification for retaining the agent is satisfactory, Compliance will conduct a background review, which will address the following topics:

- **CONTACT INFORMATION:** Obtain the full name, address, telephone and facsimile numbers of the agent company or individual, along with an email address, if available;
- **COMPANY STRUCTURE:** Ascertain the organizational structure of the agent’s company. Knowing whether an agent is organized as a partnership or corporation, with or without limited liability, can help narrow the questions to be asked about ownership;
- **COMPANY OWNERSHIP:** Identify complete ownership. This is a less intrusive review of ownership than that undertaken during the standard due diligence process; true beneficial ownership may only be necessary if “red flags” are uncovered during the due diligence review;
- **COMPANY DESCRIPTION:** Obtain a brief history of the agent’s company, its qualifications and the services provided. The agent’s website often provides insight into its level of expertise and sophistication, potential conflicts of interest and inconsistencies;
- **EMPLOYEES:** Identify the key employees that will act on behalf of the agent’s company. In the same way that large companies cannot avoid their anti-bribery obligations by shifting the burden to intermediaries, agents are responsible for the business ethics of their foreign or local employees;
- **REPUTATIONAL REFERENCES:** Secure reputational references whenever possible. These references can be obtained either during the due diligence review or as part of the Company’s more general business evaluation of the agent;

- **DISCLOSURES:** Ask about prior bankruptcies, criminal convictions or pending investigations for bribery, fraud, tax evasion, export or anti-trust violations. Agents should also disclose whether they have been debarred from bidding on government contracts for any length of time in any country in which they do business; and
- **GOVERNMENT DATABASES:** The U.S. and other governments maintain lists of persons and organizations that have violated various laws or regulations. It is important for companies to review the names of the agent's company, its owners, principals, partners, key employees and third parties, if any, against these lists. Retaining an agent that is listed in a government database can be more than a "red flag" in terms of anti-bribery compliance; it can itself be a violation of other laws.

Until the review is complete, the agent should be instructed not to undertake work on behalf of Crane. It is little consolation to companies accused of paying bribes that the agent was acting on a verbal agreement or simply "free-lancing" to prove his or her value to a potential new principal.

3. "Red Flags." The internal and external review process should develop as complete a picture as possible of the agent's expertise, relationship to government officials, financial stability and commitment to ethical business practices. During this process, Compliance should determine whether there are any facts or circumstances (so-called "red flags") that should end the possibility of a business relationship or that require significant additional investigation. Such "red flags" may include, without limitation, those set forth below:

- Demands or offers lavish gifts, entertainment or hospitality before commencing or continuing contractual negotiations or provision of services;
- Requests payment in cash or to a numbered account or the account of a separate third-party;
- Requests payment in a country other than the intermediary's country of residence or the territory of the sales activity (especially if it is a country with little banking transparency);
- Requests payment in advance or partial-payment immediately prior to a procurement decision;
- Requests payment for extraordinary, ill-defined or last-minute expenses, or for an unexpected additional fee or commission to 'facilitate' a service;
- Is owned by a government entity or has an employee who simultaneously holds a government position;
- Has a family member in a government position, especially if the family member works in a procurement or decision-making position or is a high-ranking official in the department that is the target of the intermediary's efforts;
- Refuses to disclose owners, partners or principals, or identifies a business reference who declines to respond to questions or who provides an evasive response;

- Uses shell or holding companies or other unusual corporate structures that obscure ownership without credible explanation;
- Is specifically requested by a customer, or requests that you provide employment or some other advantage to a friend or relative;
- Is recommended by an employee with enthusiasm out of proportion to qualifications;
- Has a business that seems understaffed, ill-equipped or inconveniently located to support the proposed undertaking;
- Has little or no expertise in the industry in which he/she seeks to represent the Company;
- Is insolvent or has significant financial difficulties;
- Is ignorant or indifferent to local laws and regulations governing the region in question and the agent's proposed activities in particular;
- Declines to sign an agreement or certification, or to provide a proper invoice for services;
- Is the subject of credible rumors or media reports of inappropriate payments; or
- Is currently under investigation or has been convicted of previous violations of law.

Extra caution should be exercised if the agent is doing business in an industry or in a country with little business or financial transparency. This fact on its own might lead Compliance to conclude that an additional, or "heightened," review is needed.

4. Heightened Review. If Compliance determines that additional investigation is needed, it may engage outside counsel or a specialized firm (e.g., Thomson-Reuters) to conduct this work, which may include, without limitation, one or more of the following activities:

- **INTERVIEWS WITH RELEVANT PERSONNEL:** Conduct interviews with the agent. The interviews should be conducted with all relevant personnel; depending on the structure of the agent, this would typically include the entity's owners and directors, senior management, legal and compliance staff, marketing, finance and business development personnel and those employees responsible for regulatory approvals and logistics. The list of personnel who should be interviewed can often be determined by reviewing the agent's organizational chart prior to scheduling the interviews;
- **BUSINESS PROFILE:** Obtain a detailed overview of the agent's company and industry associations, including other companies and products the agent represents and how the agent markets and/or sells its products or services. The agent should describe the business climate in the countries in which it operates;

- **INTERACTIONS WITH GOVERNMENT OFFICIALS:** Ascertain how and when the agent interacts with government officials, including identifying government customers, interactions with customs, licensing and permitting officials, as well as any necessary government inspection processes. To the extent possible, this should be done in advance of the interviews. Collect copies of permits, licenses, registrations, purchase orders from government customers and invoices to government customers, when possible, for further review and analysis;
- **FINANCIAL INFORMATION:** Request access to the agent's books and records, as well as copies of financial statements, if applicable;
- **COMPLIANCE PROGRAM:** Obtain a copy of the agent's code of conduct and any relevant policies or procedures, including procedures for gifts and hospitality, charitable contributions and due diligence on third-party relationships. If no formal written procedures are available, the agent should describe how it handles these issues when they arise. Review the agent's hiring and retention policies, if applicable, including the manner in which the agent disciplines employees who violate the code of the conduct or engage in illegal activity. Inquire into whether the agent has taken disciplinary action against employees in the recent past;
- **INTERNAL CONTROLS:** Review the agent's internal controls, including processes and supporting documents to justify petty cash disbursements, invoicing, check authorizations and employee reimbursement. Ensure that no unrecorded or undisclosed Company funds, such as "off the books" accounts, are established for any purpose; and
- **LICENSES AND PERMITS:** Collect copies of all licenses and permits necessary for the agent to conduct its business. These will vary depending on the country and the type of work in which the agent is engaged.

The external review conducted as part of the heightened due diligence process should check the following additional sources:

- **EMBASSY CONSULTATION:** Where possible, contact local Embassy staff to see if they are familiar with the agent. Ask about the agent's reputation and whether the Embassy knows of any adverse information about the agent; and
- **PUBLIC RECORDS SEARCH:** Engage local counsel to conduct a search of all appropriate public records. The search should include a check to verify that the agent is properly established and has complied with all necessary corporate filings and, where possible, a criminal records search on the agent.

C. Agent Agreements

Crane must know the identity and contractual arrangements (including compensation structure) for each person who represents Crane in foreign jurisdictions, and each such person must be educated by Crane as to these policies and procedures. Accordingly, agents may only be hired or their services retained by written agreement between the agent and Crane, with the agreement executed by a corporate officer of Crane. *Note: Crane agents are not authorized to hire or retain additional agents or sub-agents without specific written authority from the General Counsel to do so.*

The agent agreement must follow the template from time to time provided by Compliance and should include, among other things, a certification of compliance with this policy and applicable anti-corruption and anti-bribery laws.

Any changes to the form of agreement must be approved by Compliance and the General Counsel. Copies of all signed agreements with agents must be promptly forwarded to Compliance and the General Counsel. After an agent agreement is executed, it may not be amended, revised or modified, and no provision thereof may be waived, without the prior written consent of Compliance and the General Counsel. No other agreements, arrangements, side letters or the like, whether written or oral, may be entered into with an agent without the prior written consent of Compliance and the General Counsel. *Note: The Company has signatory authority levels that have been established by the Board of Directors. These are available from the General Counsel and must be strictly adhered to.*

IX. FINANCIAL CONTROLS AND PROCEDURES

Crane's Chief Financial Officer (the "CFO") will implement and administer additional financial and accounting controls related to agent payments that are designed to detect and prevent improper payments under anti-corruption laws, and assure the accuracy of all of Crane's books and records with respect to those payments. All accounts, invoices, memoranda and other documents and records relating to dealings with third-parties, including customers, agents, suppliers and business contacts, must be prepared and maintained with strict accuracy and completeness. No "off-book," "slush fund," or similar accounts will be established for any purpose.

As described above, all gifts, entertainment and hospitality, as well promotional or marketing payments, charitable contributions, donations and sponsorships must be properly declared, approved and recorded.

On a quarterly basis the Company's Finance Department must submit a report to Compliance listing all foreign third-party commissions, retainers, payments, or other remuneration made in connection with the Company's operations in every country in which Crane does business or is seeking business.

Financial audits relating to anti-corruption books and records will be conducted by the CFO in conjunction with Compliance. In addition, the CFO will ensure compliance with the following controls and procedures for Crane and its subsidiaries, including without limitation Crane AB:

- Bank accounts opened or closed only upon the written approval of the CFO;
- No payments to agents unless a signed agreement has been received and approved by Compliance;
- No payments or transfers to anonymous or numbered accounts, or to accounts that are not in the name of the payee, or to an entity known to be controlled by the payee;
- No payments or transfers to a contracting foreign government entity that are not in accordance with, or provided for under, the terms of the contract between Crane and the foreign government entity. Exceptions to this procedure may only be made with written approval by the CFO;

- No payments or transfers processed or approved for questionable invoices, over-invoices, invoices without proper receipts, or that include other misleading, vague, non-specific descriptions or other irregular payment documentation. Any requests of this nature must be reported promptly to the CFO;
- No payments or transfers processed or approved where the documentation in support of the payment contains (or has “red flags” indicating) fictitious or fabricated entities, sales, purchases, expenses, services, loans, charitable donations, misstatements of transactions, recording to the wrong payee or similar financial arrangements. Any requests of this nature must be reported promptly to the CFO;
- Payment or transfer requests must be in writing and accompanied by an accurate explanation of the purpose, correspond to an appropriate account, and have proper authority for the payment. Explanation for the payment must be retained at the paying location for a period of at least seven years;
- No expenses may be reimbursed to third parties assisting Crane in obtaining or retaining business unless such expenses are permitted under the agent agreement, receive prior written approval from Compliance, and are supported by credible documentation;
- No advance payments to agents prior to award or customer paying their invoice without the prior written approval of the CFO;
- No agreements with agents establishing joint ventures, partnerships, or other compensation in addition to sales commissions without the prior written approval of the CFO and Compliance;
- No deviations or amendments to the compensation terms in existing agent agreements without the prior written approval of the CFO and Compliance; and
- No sponsorships, community projects, charitable contributions or donations over \$100 USD without prior written approval from the General Counsel and CEO.

X. REVIEW, TRAINING, CERTIFICATION AND REPORTING

- A. Review and monitoring** – Compliance will regularly monitor the effectiveness of this policy and review its implementation, considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. The controls and procedures described herein will be subject to regular internal audits, including financial control audits, as well as periodic external reviews to provide assurance that they are effective.
- B. Training** - Compliance will deliver mandatory online anti-corruption training on a regular basis to any Company Personnel with duties that involve interaction with foreign officials or public officials or supervision of others who interact with foreign officials or public officials. Compliance will supplement the online training by delivering in-person anti-corruption training to the Company’s senior international sales and financial personnel on at least an annual basis. Compliance will also periodically review ethics and anti-corruption requirements with Crane’s

agents in high-risk countries (as defined by Transparency International's annual corruption rankings), in conjunction with the SVP Global Sales, Senior Regional Sales Director and/or Regional Sales Director for that country.

- C. Certification** – In addition to all agents and high-risk suppliers (also referred to as “key sub-contractors”), all relevant Company Personnel must submit an anti-corruption and antitrust certification to Compliance.

APPENDIX A - DEFINITIONS

“Anything of Value” – The use of the phrase “anything of value” means that anti-corruption laws such as the FCPA forbid money bribes as well as bribes of any amount constituting such things as:

- Stock;
- Entertainment;
- Gifts;
- Discounts on products and services that are not readily available to the public;
- Offer(s) of employment;
- Assumption or forgiveness of debt;
- Payment of travel expenses; and
- Personal favors.

Bribe – When one party gives or offers another party, either directly or through a third party, any reward, advantage or benefit of any kind in order to influence the making, or not making, or implementation of a decision or act by the party concerned, such as to retain or obtain business. A **kickback** is a bribe to obtain an undue advantage, where a portion of the undue advantage is 'kicked backed' to the person who gave, or is supposed to give, the undue advantage.

Conflict of Interest - Occurs when an individual or organization is involved in multiple interests, one of which could possibly corrupt, or be perceived to corrupt, the motivation for an act in another.

Facilitating Payment – A form of bribery in which small payments are made with the purpose of expediting or facilitating the performance by a public official of a routine governmental action and not to obtain or retain business or any other undue advantage. Facilitation payments are typically demanded by low level and low income public officials in exchange for providing services to which one is legally entitled without such payments. These payments might include:

- Obtaining licenses, permits and/or other official documents to qualify to do business in a foreign country;
- Processing governmental papers, such as visas and work orders;
- Providing police protection, mail services, and/or inspection of goods or contract performance;
- Providing telephone service, utilities, loading or unloading cargo, and/or protecting perishable goods from deteriorating; and/or
- Actions of a similar nature.

Foreign Official – The FCPA defines a “foreign official” as any officer or employee of a foreign government or any department, agency or instrumentality of a foreign government. The term also includes any officer or employee of a public international organization, such as the *World Bank*. Furthermore, any person acting in an official capacity for any foreign government agency, department or instrumentality, or for a public international

organization, is a “foreign official.” For example, an entity hired to review bids on behalf of a government agency would be covered by this term. The *U.S. Department of Justice* has also stipulated that the following persons would be included in the definition of “foreign official”:

- Officers and employees of foreign state-owned companies;
- Uncompensated honorary officials, if such officials can influence the awarding of business; and
- Members of royal families who have proprietary or managerial interests in industries or companies owned or controlled by the government.

The FCPA also prohibits bribes to foreign political parties, political party officials and candidates for foreign political office.

Government – An agency, instrumentality, subdivision or other body of any national, state or local government, including hospitals or other health facilities that are owned or operated by a government, and including regulatory agencies or government-controlled businesses, corporations, companies or societies.

Intermediary - Includes but is not limited to sales agents, commercial agents, distributors, consultants, representatives, implementation partners, and advisers.

“Knowing” – The “knowing” element was introduced primarily to cover payments for illicit purposes to intermediaries or foreign agents who, in turn, may make payments to foreign officials or public officials. A company or person has knowledge of prohibited conduct if the company or person is (i) aware that such person (to whom company resources are given) is engaging in such conduct, that such circumstance exists or that such result is substantially certain to occur; or (ii) has a firm belief that such circumstance exists or that such result is substantially certain to occur. A company or person is also deemed to have knowledge of a particular circumstance if the company is “aware of a high probability of the existence of such circumstance, unless the person actually believes that such circumstance does not exist.”

A company may be held liable for actions taken on its behalf, even if it is unaware that such actions are taken, if it should be aware based on the circumstances. Thus, a company or individual can be held liable if its actions indicate a conscious disregard or deliberate ignorance of circumstances that should reasonably alert the company to the high probability of illegality. A company or individual cannot turn a blind eye to the suspicious activities of its foreign directors, officers, employees, agents, consultants, partners and representatives in hoping not to learn of prohibited activity.

Payment – This may involve the transfer of money, stock, bonds or any other property; the payment of expenses; the provision of services of any type; the assumption or forgiveness of any indebtedness; or any other transfer of goods, services, tangibles or intangibles that accrues to the benefit of the ultimate recipient or promotes his/her interests.

Public Official – Officials or employees of any government or other public body, agency or legal entity, at any level, including officers or employees of state-owned enterprises and

officers or employees of enterprises that are mandated by a public body or a state-owned enterprise, to administer public functions.

Public Organization – The term “public international organization” includes, but is not limited to, such organizations as the *World Bank*, the *International Finance Corporation*, the *International Monetary Fund* and the *Inter-American Development Bank*. Compliance should be contacted if there is a question as to whether an organization should be treated as a public international organization for the purpose of this policy.

Sponsorship - Sponsorship is about partnering with external organizations to deliver mutual benefits through an exchange of monies, products, services, content or other intellectual property.

Third Party – A third party may be any company or person that is not a party to the primary transaction, such as a sales agent or intermediary between Crane and the final customer or end-user of Crane's products.