Columbus McKinnon Corporation

Foreign Corrupt Practices Act (FCPA) Policy

Effective Date: 04/13/2009

Revision No. 1. Date: 09/21/2015
What is the FCPA?

The Foreign Corrupt Practices Act (FCPA) is a United States federal law that was passed as a result of a United States Government investigation that showed that many American companies and their employees were routinely participating in the bribery of foreign officials. 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.

I. Statement of Policy

It is the policy of Columbus McKinnon Corporation ("CMCO" or "Company") 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-bribery laws of the United States and of the foreign countries where we do business. Bribery of any kind in the United States and 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 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. See also Global Legal Compliance and Business Ethics Manual §§ IV.A.3, IV. E, and V.

It is also the policy of CMCO that each of our employees, officers, directors, and agents 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. See also Global Legal Compliance and Business Ethics Manual §§ III.C, IV.B.5, and IV.E.

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.

II. What does that mean for you?

This Policy 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.

III. Managing and Maintaining the Compliance Program

We will continually update and refine our Compliance Program to ensure that everyone understands the importance of this Policy and the FCPA.

- Managing and Maintenance

All of the Company’s employees, officers, directors, vendors and other third parties working with the Company are responsible for complying with the Policy. Should you have any questions, please contact the Legal Department.

- Compliance Certificates

As part of our FCPA Compliance Program, all of the Company’s employees, officers and directors working with the Company in international operations of any kind will be required to affirm annually in writing that they received the Policy, understand it, and have not violated it or the FCPA in connection with any work they have done at or for the Company, and that they agree to abide by the Policy and the FCPA.

- Third Parties

Guidelines relating to compliance with this Policy are contained in the Global Legal Compliance and Business Ethics Manual. The Global Legal Compliance and Business Ethics Manual will be distributed to all vendors, authorized distributors and other third parties that do business with the Company on an annual basis and the Company will advise such vendors, authorized distributors and other third parties that it expects them to comply with the Company’s business practices as outlined in the Global Legal Compliance and Business Ethics Manual.

- Training Programs

As part of our FCPA Compliance Program, all key personnel who have involvement in international operations of any kind will be required to undergo periodic training on this Policy. A copy of this Policy will be given to new employees with involvement in international operations and they will be required to undergo periodic training on this Policy.
• Background Checks and Due Diligence

It is the Company's policy not to retain any individual or outside firm with a record of violating the FCPA or similar laws or regulations or who has a history of questionable ethical practices. The Company will conduct such routine background investigations and undertake such other due diligence efforts as it deems necessary or appropriate to assess the fitness of all prospective representatives, consultants, lobbyists, distributors, investment partners, joint venture partners, and other third parties. The scope of these investigations will vary depending on the nature of the relationship, the location of the relationship, and the presence of any "red flags."

• Disciplinary Actions

In addition to the fines and penalties imposed by the FCPA, violators of this Policy may be subject to disciplinary measures imposed by the Company. Penalties for violations will vary with the circumstances, and may include termination of employment.

IV. The FCPA's Legal Provisions

Anti-Bribery Provisions of the FCPA

The FCPA exists to prevent corrupt practices in international business transactions. The Act prohibits bribery of officials and employees who work for foreign governments.

Under the FCPA, bribery consists of corruptly making, offering, authorizing or promising to make a payment of anything of value to any foreign government official or employee, directly or indirectly, for the purpose of influencing an official act or decision, in order to obtain or retain business or to secure any improper advantage. A United States company may be held liable under the FCPA for the improper activities of its foreign subsidiaries if the United States company authorized or participated in the conduct.

Who is a foreign official?

The United States Government broadly interprets this Act, and as a result, the term "foreign officials" can include officials or employees of: foreign governments (including armed forces or any departments, agencies, or instrumentalities thereof), foreign state-run or state-owned enterprises or entities; public
international organizations; and foreign political parties. The term can also include close family members or relatives of such officials or employees; candidates for foreign public office; and anyone acting "for or on behalf of" a foreign government (including agencies, departments, instrumentalities, and consultants). This broad interpretation includes entities partially or wholly owned by a foreign government, or entities in which the foreign government has the power to appoint board members or the power to exercise effective or de facto control.

While the above descriptions are the most common examples of foreign officials, they are not exhaustive. If you are not sure if a person is a foreign official, consult with the Legal Department.

What is an improper payment or gift?

Under the Act, corruptly providing anything of value to a foreign government official or employee, such as meals, entertainment, an interest in a business venture, or other gift, is prohibited, with some narrow exceptions described below.

Prohibited payments can be direct or indirect. If a third party such as a local consultant or agent makes a payment on behalf of a United States company or its foreign subsidiary, there may still be liability. Because the Company is concerned with preventing any improper transfers to foreign government officials and private citizens who could pass the items on to government officials, employees, officers, directors, and vendors (or other third parties) of the Company should refer to and follow the procedures outlined in this Policy and in CMCO's Global Legal Compliance and Business Ethics Manual regarding making any payments, giving any gifts, or providing any hospitality.

It is not possible to avoid the requirements of the FCPA by turning a blind eye to potentially improper payments – if the payor ignores circumstances that indicate bribery is taking place, actual knowledge of bribery may not be necessary and the payor may be held accountable for the improper payment.

Limited Exceptions / Permissible Payments and Procedures

As a rule, any payments or gifts offered to foreign government officials or employees are presumed improper unless they fit within one of the limited exceptions. Because these exceptions are narrow, before making a payment or providing anything of value to a foreign official (as described above) or to any person or entity that has been retained by the Company to perform any services that could involve interaction with a foreign government, foreign political party, or a
foreign official, consult with the Legal Department prior to making such payments. Documentation of any payment or services must be accurately recorded.

No payment, even ones that technically fall into the limited exceptions, is permitted if it could be construed as being made in order to influence any official decision, obtain or retain business, or provide an improper advantage. Written approval must be obtained from the Legal Department before relying on any of these exceptions to justify delivering anything of value, directly or indirectly, to a foreign official.

- In order to be safe, it is best not to make any payments that might appear improper.

Books and Records and Internal Controls Provisions of the FCPA

In addition to the prohibitions on bribery, the FCPA requires “issuers” (such as CMCO) (i) to maintain accurate books and records detailing all transactions, and (ii) to implement adequate internal accounting controls to ensure accurate record keeping.

The FCPA’s accounting provisions apply to the Company and to any United States and non-United States majority owned subsidiaries of the Company, and to other companies in which the Company may be considered to have a controlling interest. Accordingly, the Company requires that all such entities maintain and provide to the Company upon request, accurate documentation regarding all transactions entered into on behalf of the Company. The FCPA also imposes an obligation on the Company to exercise its good faith efforts to influence each entity in which it has less than a controlling interest to devise and maintain a system of internal accounting controls consistent with the FCPA.

The Chief Financial Officer is responsible for ensuring that the accounting and recordkeeping activities of the Company adhere to the highest standards and conform to this Policy. With regard to ethics, legality, and propriety, however, each officer and employee involved with financial and accounting functions is also responsible for adherence to this Policy. Management at each business unit is also responsible for implementing and monitoring adequate internal accounting controls to ensure accurate recordkeeping.
All employees who prepare and review the Company's books and records, who are responsible for the Company's books and records, who supply information to be included in the Company's books and records, and who submit requests for reimbursement are responsible for ensuring that the books and records are accurate, up-to-date and contain a full and accurate description of the transactions and accounts reported therein.

Violations of the FCPA accounting provisions can include false reporting of expenditures, false entries in the Company's books and records, and the failure to report any transaction or expenditure. No unrecorded fund or asset of the Company shall be established or maintained for any reason. No employee may sign or submit, or permit others to sign or submit on behalf of the Company, any document or statement that the employee knows or has reason to believe is false or misleading. The FCPA also prohibits records that are not candid or complete enough to inform a reviewing party of the actual nature of the transaction.

**Penalties**

The FCPA provides for criminal and civil penalties for violators – both on an individual and company level. Penalties include:

- **Disgorgement of profits** (all profits made on the affected transaction could be confiscated)

- **Fines** (up to U.S.$25,000,000 for companies and U.S.$5,000,000 per individual per violation, or up to twice the pecuniary gain or loss caused by the improper payment)

- **Prison** (up to twenty years in prison)

- Other government action, including injunction against conducting certain business (such as a denial of export privileges) or exclusion from government contracts.

**V. Particular Areas of Concern for CMCO**

Given that CMCO typically has not been involved in the defense industry, it is tempting to assume that we are not as affected by the FCPA as other companies.
As mentioned above, however, the FCPA prohibits gaining any type of competitive advantage by corrupt means. *Thus, even in cases where we are not looking to procure government business, if we are looking to foreign officials to make a decision that benefits the Company, we need to be careful that we comply with the FCPA.* A few examples of these situations include:

- Applying for licenses for existing or new operations in a country;
- Submitting to health and safety inspections or permits to manufacture or sell our products in a jurisdiction;
- Reimbursements for travel and entertainment; and
- Importing or exporting products.

Please note that this list is illustrative and not exhaustive.

VI. **FCPA Compliance Hotline – What should you do if you have any concerns about the FCPA?**

For all of the Company’s worldwide operations, the key to a successful compliance program is open and honest communication. If you need any clarification of this Policy and/or the provisions of the FCPA and how they affect our business or if you have any concerns about how a particular payment would be viewed under the FCPA, please contact the Legal Department at +1 716 689 5648 (General Counsel) or +1 716 689 5465 (Associate General Counsel).

If you wish to remain anonymous, you may report a matter either via our automated hotline maintained by EthicsPoint, notices of which are posted at all of our Company locations, or via the EthicsPoint internet reporting site at www.ethicspoint.com. Both the hotline and the internet site are available seven days a week, 24 hours a day.

Company policies prohibit retaliation of any kind for good faith reporting. Please help us preserve CMCO’s excellent name and reputation.