



CODE OF BUSINESS CONDUCT AND ETHICS



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Introduction and Purpose	2
General Ethical Standards	2
Conflict of Interest	3
Confidentiality; Protection and Proper Use of the Company's Assets	4
Fair Dealing and Integrity	5
Political Payments	5
Compliance with Laws	5
Waivers	9
Compliance with the Code of Conduct	9
Reporting Suspected Non-Compliance	10
Procedure	10
Additional Procedures for certain Third Party Complaints	11
Code of Conduct Acknowledgement	12



CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION AND PURPOSE

This Code of Business Conduct and Ethics (Code) applies to ESCO Technologies Inc. and its subsidiaries worldwide (collectively, ESCO or the Company). The Code provides a general statement of the ethical standards that each employee, officer and director (collectively, referred to as "Associates" in this Code) should adhere to while acting on behalf of the Company. The purpose of the Code is to recognize and set forth the Company's expectations of Associates and to provide basic guidelines for situations in which ethical issues arise. The Code supplements, but does not replace, Company policies and procedures that are or may be put in place. Each Associate is expected to read and become familiar with the ethical standards described in this Code and to conduct him or herself in accordance with these standards and will be required, from time to time, to affirm his or her agreement to adhere to such standards.

ESCO intends to adhere to ethical standards in all of its business dealings. This requires that the Company's business be conducted in accordance with all applicable laws and regulations and in accordance with the highest standards of business ethics. ESCO is a global company and must be sensitive to the cultures and customs of the countries where it operates and respect the communities and environments where it does business. The success of the Company's business depends on the reputation of the Company and its Associates for integrity and principled business conduct. Improper activities could harm the Company's reputation for integrity

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and otherwise result in adverse consequences. Even the appearance of impropriety may be extremely damaging.

Each Associate is responsible for adherence to the Code. Adherence to the Code will be the subject of management attention and periodic internal audits and reviews. An Associate's actions under this Code are significant indications of such individual's judgment and competence. Failure to comply with any of the provisions of the Code will subject an employee to disciplinary measures up to and including termination.

If an Associate becomes aware of a violation of the Code, he or she is obligated to report it in accordance with the procedures set forth herein. Retaliation against anyone who reports a possible violation will not be tolerated.

GENERAL ETHICAL STANDARDS

Set forth below are general standards that are designed to ensure compliance with the Company's ethical and legal responsibilities. These standards are not necessarily all of the obligations that may apply. In general, any conduct that could reasonably appear to be improper or that might injure ESCO's reputation for honesty and integrity should be avoided.



CONFLICT OF INTEREST

A “conflict of interest” exists when a person’s private interest interferes, or appears to interfere, in any way with the interests of the Company. A conflict situation can arise when a person takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an Associate, or members of his or her family, receives improper personal benefits as a result of his or her position with the Company. No Associate may accept any such benefits from the Company that have not been duly authorized and approved pursuant to Company policy and procedure, including any loans or guarantees of personal obligations. Associates owe a duty to ESCO to advance ESCO’s business interests to the best of their abilities. No Associate should have a personal, business or financial interest that is incompatible with the loyalty and responsibility owed to the Company. While it is not possible to identify every particular activity that might give rise to a conflict of interest, some examples of practices and circumstances that may result in conflicts are described below:

- **Personal Investments.** No Associate (or member of his or her immediate family) should have a material financial or other beneficial interest in an enterprise which does business with or is a competitor of ESCO, except with the prior written approval of ESCO’s Chief Executive Officer or General Counsel. However, ownership through mutual funds or similar non-discretionary, undirected arrangements or ownership of less than 5% of the outstanding equity securities of any publicly traded company is permissible.
- **Corporate Opportunities.** Associates are prohibited from competing with ESCO. Associates are also prohibited from taking for themselves opportunities that are discovered through the use of corporate assets, information or their corporate position without first offering such opportunity to ESCO or using corporate property, information or position for personal gain. Associates owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.
- **Business Affiliations.** No Associate shall serve as a director, officer, consultant, employee or in any other capacity in any enterprise which: (a) is a competitor of ESCO; or (b) conducts or seeks to conduct business with ESCO; or (c) directly hinders or has the appearance of detracting from the performance of their duties as an ESCO employee, officer or director, except with the prior written approval of ESCO’s Chief Executive Officer or General Counsel.
- **Business Gifts.** Associates (or members of their immediate family) may not give or accept gifts that may appear or are intended to influence business decisions or compromise independent judgment. Following are some general guidelines for applying this policy:
 - (a) No gift shall be given to an employee of a customer or supplier, with the intent to influence that employee’s conduct.
 - (b) Gifts to U.S. government employees are prohibited in connection with U.S. government work unless of nominal amounts as expressly authorized by Company policy and U.S. Government regulations.
 - (c) Gifts to foreign government officials are prohibited except as expressly



authorized by Company policy and not in violation of applicable law.

- (d) The Company selects suppliers and vendors on merit, considering among other things, price, quality and reputation. Associates may not, without approval of the Corporate Ethics Official, solicit or accept, directly or indirectly, from any actual or potential supplier, vendor or competitor or other third party with whom the Company has or may reasonably expect to have a business relationship, any bribe, commission, kickback, gratuity or gift, except for personal, non-cash gifts of nominal value.
- (e) An Associate may give or accept occasional meals or other forms of reasonable entertainment as a courtesy extended during the normal course of business, provided the entertainment is not given or offered to influence a business decision. The guideline for determining what is "reasonable" shall be normal industry practice in the locality consistent with local legal or fiscal requirements. For example, sales or marketing representatives may make business gifts of their regular products or promotional items in accordance with established local policies for the purpose of generating business goodwill. If the entertainment does not meet these guidelines, the approval of the Corporate Ethics Official must be obtained. Common sense and good judgment must be exercised when giving or accepting business related meals or anything of value to avoid any perception of impropriety or conflict of interest.

CONFIDENTIALITY; PROTECTION AND PROPER USE OF THE COMPANY'S ASSETS

All Associates are responsible for the proper use of the Company's assets, as well as its proprietary and other confidential information and third party information that the Company has agreed to protect.

- **Company Property and Facilities.** All Associates should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.
- **Proprietary Information.** The obligation to protect Company assets includes its proprietary information. Proprietary information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed, such as information relating to financial, business and technical aspects of the Company. Proprietary information may involve intellectual property such as trade secrets, inventions, patent applications, as well as business and marketing plans, engineering and manufacturing ideas, designs, pricing, products and services that are being developed, databases, records, salary information, information pertaining to any prospective Company acquisition or divestiture and any unpublished financial data and reports. This information also includes information received from third parties that the Company has agreed to protect. Unauthorized use or distribution of this information is prohibited, and may be illegal and may result in civil and/or criminal penalties. All information, in whatever form, acquired or created in the course of employment is and shall remain



Company property. The obligation to safeguard proprietary information continues after employment with ESCO ends.

- **Employee Developments.** The Company is legally entitled to all rights in ideas, inventions and works of authorship relating to its business that are made by employees during the scope of their employment with the Company or using the resources of the Company (“Employee Developments”). As a condition of employment, employees are required to transfer all Employee Developments to ESCO.

FAIR DEALING AND INTEGRITY

Each Associate should endeavor to deal fairly with the Company’s customers, suppliers, competitors and employees. No one should take unfair advantage through manipulation, concealment, misrepresentation of material facts, abuse of privileged information or any other intentional unfair business practice.

POLITICAL PAYMENTS

- **Federal.** No ESCO funds or assets shall be used for, or in aid of, any candidate or nominee for federal political office in the United States or for, or in aid of, any political parties or committees in connection therewith.
- **State and Local.** No ESCO funds or assets shall be used for, or in aid of, any candidate or nominee for state or local political office in the United States or for, or in aid of, any state or local political parties or committees, except in compliance with specific Company policies and not in violation of any applicable law or regulation.
- **Foreign.** No ESCO funds or assets shall be used for, or in aid of, any candidate or

nominee for political office outside the United States or for, or in aid of, any political parties or committees except in compliance with specific Company policies and not in violation of any applicable law or regulation.

These prohibitions cover direct contributions and indirect assistance such as the furnishing of goods, services or equipment to candidates, political parties or committees. Individual contributions by Associates to candidates for, or nominees to, any federal, state or local political office and political parties or committees and company sponsored political action committees are permissible only to the extent such contributions are not otherwise prohibited by applicable law.

COMPLIANCE WITH LAWS

ESCO is committed to being a good corporate citizen of all the countries in which it conducts business. Associates must comply with all laws, rules and regulations in each jurisdiction in which it does business, as well as ESCO’s policies governing conduct in the United States and in foreign countries.

- **Insider Trading Laws.** In the normal course of business, Associates may have access to material information pertaining to the Company before such information becomes public knowledge. If material information has not already been disclosed to the public, it is considered non-public information and should not be disclosed to anyone, including co-workers, unless the person receiving the information has a legitimate need to know the information for purposes of carrying out the Company’s business. Information is deemed material if it is reasonably likely to affect the price of the Company’s stock or if a reasonable investor would find the



information important in determining whether to trade in the Company's stock. Such information includes, but it is not limited to, information regarding financial results and other financial data, merger, acquisition or divestiture discussions, awards or cancellations of major contracts, changes in key management and significant litigation or claims. In addition, Federal and State securities laws and Company policy prohibit Associates from buying or selling Company stock at a time when in possession of material non-public information. This conduct is known as "insider trading". Passing such information on to someone who may buy or sell securities, known as "tipping", is also illegal. This prohibition also applies if an Associate learns of material nonpublic information about other companies, such as the Company's customers, in the course of his or her duties for the Company. Violations of these laws may result in substantial civil and criminal penalties.

The Company has developed an Insider Trading Policy. Under that Policy:

- (a) Material non-public information shall not be disclosed to anyone outside the Company, except when disclosure is required for business purposes and appropriate steps have been taken, such as through the execution of a nondisclosure agreement, to prevent misuse of the information.
- (b) The Company has standard procedures for the public release of material information. No disclosure shall be made without following those procedures.
- (c) No Associate should trade or cause trading in Company securities or any other company's stock, options or securities if he or she has knowledge of

any material non-public information regarding the Company or such other company.

ESCO's Insider Trading Policy contains more information on this policy as well as additional restrictions applicable to Associates in senior positions with the Company. All Associates must comply with the Company's Insider Trading Policy and should consult the General Counsel if questions arise.

Federal and State securities laws and Company policy may permit Associates to trade in Company securities pursuant to a pre-arranged trading plan that is established in compliance with applicable law and was entered into when the Associate was not in possession of material nonpublic information. Any person wishing to enter into a trading plan must submit the plan to the legal department for approval prior to the adoption, modification or termination of the trading plan.

- **Antitrust Laws.** The federal government, most state governments, the European Economic Community and many foreign governments have enacted antitrust or "competition" laws. These laws prohibit "restraints of trade", which involve certain conduct involving competitors, customers or suppliers in the marketplace that could have the effect of lessening competition or monopolizing a market. The purpose of these laws is to ensure that markets for goods and services operate competitively and efficiently. Generally, an Associate shall not enter into an understanding, agreement or plan, express or implied, formal or informal, with a competitor in regard to prices, terms or conditions of sale or service, production, distribution,



territories or customers. Associates shall not exchange or discuss with competitors prices, terms or conditions of sale or services, or other competitive information, nor engage in other conduct that violates any antitrust laws.

payment or gift of, money, anything of value or other advantage, directly or indirectly, to foreign government officials, foreign political parties, party officials, or candidates for public office (or to any other person while knowing that such payment will be offered,

This Code is not intended as a comprehensive review of these antitrust laws, and is not a substitute for expert advice. If an Associate identifies what might be an antitrust problem, he or she should promptly notify the General Counsel.

The purpose of these antitrust laws is to ensure that markets for goods and services operate competitively and efficiently.

given or promised to a foreign official, political party, party official or candidate) to corruptly influence an official act or decision for the purpose of obtaining or retaining business for the Company or to

secure any improper advantage. Associates must conduct themselves in a manner that avoids any dealings that might be perceived as attempts to influence public officials in the performance of their official duties and must comply with specific ESCO policies and procedures in effect from time to time aimed at ensuring compliance with laws and regulations prohibiting improper payments.

- **Laws Prohibiting Improper Payments, Export Controls Sanctions and Trade Embargoes and Anti-Boycott Laws.** Laws and customs vary throughout the world, but all Associates must uphold the integrity of the Company in other nations as well as in the United States. When conducting business in other countries, it is imperative that Associates be sensitive to foreign legal requirements and United States laws that apply to foreign operations, including laws relating to improper payments such as the U.S. Foreign Corrupt Practices Act (FCPA) and laws implementing the OECD Convention on Combating Bribery of Foreign Public Officials (the OECD Convention), export controls, sanctions and trade embargoes and anti-boycott laws. These laws and regulations are complex and violations can trigger serious civil and criminal penalties. Associates should contact ESCO's Legal Department if they have any questions.

- (b) **Export Controls.** The Company, including its subsidiaries organized and located outside the United States, must comply with specific ESCO policies and procedures concerning export controls in effect from time to time, and all applicable export controls laws and regulations of the United States and the foreign jurisdictions in which they operate.
- (c) **Sanctions and Trade Embargoes.** The United States government uses economic sanctions and trade embargoes against certain countries and governments (as well as some former or current government officials, and entities and persons designated as terrorists or drug traffickers) to further various foreign policy and national security objectives. Other countries in

- (a) **The FCPA and OECD Convention.** Associates wherever located are prohibited from paying or giving, or promising, offering or authorizing the



which the Company operates also participate in UN or other multilateral sanctions aimed at maintaining or restoring international peace and security. All ESCO companies organized under U.S. law or located in the United States, and all Associates that are U.S. citizens or permanent resident aliens (“green card” holders), wherever located and regardless of whether they are employed by ESCO companies organized under non-U.S. law, must abide by all applicable U.S. economic sanctions or trade embargoes. U.S. sanctions and trade embargoes may also apply to certain activities of ESCO companies that are not organized or located in the United States and Associates that are not U.S. citizens or permanent resident aliens (“green card” holders), including with respect to reexports from outside the United States of U.S.-origin items. Such companies and Associates are required to comply with applicable UN, multilateral or other sanctions that have been implemented in the jurisdictions in which they operate (other than unsanctioned international boycotts – *see* below) and to determine the legal requirements concerning compliance with applicable U.S. sanctions in any particular situation.

- (d) **Anti-Boycott Laws and Regulations.** The Company, including ESCO subsidiaries organized or located outside the United States, and Associates, may not violate applicable U.S. anti-boycott laws and regulations aimed at unsanctioned international boycotts such as the Arab boycott of Israel. U.S. anti-boycott laws and regulations generally prohibit: (i) refusing or agreeing to refuse to do business with a boycotted country, its

nationals or companies organized under the laws of the boycotted country, or blacklisted companies; (ii) discriminating or agreeing to discriminate against individuals or companies on the basis of race, religion, sex or national origin; (iii) paying, honoring, negotiating or implementing letters of credit containing prohibited boycott provisions; and (iv) furnishing information concerning the Company’s business relations with boycotted or blacklisted persons. In addition, Associates must report any oral or written request to participate in or support an international economic boycott not sanctioned by the United States government.

- **Public Disclosure and Financial Records.** As a public Company ESCO is required pursuant to U.S. Securities Laws and Regulations to prepare and disclose in reports and filings to the SEC and the New York Stock Exchange, and in other public communications, information about the Company’s finances, business and operations that is full, fair, accurate, timely and understandable. To ensure compliance with these requirements ESCO’s books and records must accurately reflect transactions and the acquisition and disposition of assets. Books and records must: (i) be maintained in reasonable detail; (ii) be clear and accurate; and (iii) conform to applicable legal and accounting requirements and to the Company’s system of internal controls. No false or misleading statements or entries shall be made on any Company document including, but not limited to accounts, financial statements, tax returns, expense reports or timecards. Associates with the responsibility for making public



disclosures in the Company's periodic reports or filings or in public communications shall insure that such disclosures are full, fair, accurate, timely and understandable.

No Associate may make a false statement to interfere with or seek to improperly influence, directly or indirectly, the Company's independent auditors in their auditing of the Company's financial records.

▪ **Employment and Safety Policies.**

- (i) The Company is committed to fostering a work environment in which all individuals are treated with respect and dignity. The Company will maintain a business-like atmosphere, promote equal employment opportunities and prohibit discriminatory practices or harassment by or towards any Associate, customer, supplier, vendor or manufacturer.
- (ii) The Company will comply with all applicable laws regulating the employer-employee relationship and the workplace environment, including wage and hour regulations.
- (iii) No Associate may interfere with or retaliate against another Associate who seeks to invoke his or her rights under the laws governing labor and employee relations.
- (iv) ESCO is committed to compliance with federal, state and local laws and regulations that apply to health, safety and the environment. Associates will

To assist in the administration of the Code, the Company has established a Corporate Ethics Official at Company headquarters and each subsidiary has designated a Unit Ethics Official.

make every effort to ensure that ESCO products and places of business are safe for the public and its employees.

WAIVERS

There shall be no waiver of any part of the Code, except as approved by the Nominating and Corporate Governance Committee of the Board of Directors, which shall ascertain whether a waiver is appropriate. Any waiver of this Code applicable to a Director or Executive Officer of ESCO will be promptly posted on the ESCO website to ensure disclosure to ESCO's shareholders.

COMPLIANCE WITH THE CODE OF CONDUCT

All Associates are responsible for understanding and complying with this Code. To assist in the administration of the Code, the Company has established a Corporate Ethics Official at Company headquarters and each subsidiary has designated a Unit Ethics Official. Each current and new Associate will be provided a copy of this Code. Each Associate shall acknowledge his or her receipt and review of the Code by completing the Code of Conduct Acknowledgement Form provided with the Code. Each Subsidiary

President should ensure that all Acknowledgement Forms are transmitted to the applicable Unit Ethics Official. Further training and guidance regarding this Code will be provided as appropriate. Associates are encouraged to consult with their direct or indirect supervisors, anyone in

their chain of command, their Unit Ethics Official, their Corporate Ethics Official or any member of ESCO's Legal Department



concerning any questions they have about the Code. The Code may be revised, changed or amended from time to time.

Supervisors are key players in reinforcing the Company's "ethical environment". Each Company supervisor is responsible to oversee the conduct of each employee under his or her supervision and to ensure the employee's understanding and compliance with this Code. Any supervisor receiving a report or having knowledge of a possible violation of the Code shall report it to the Unit Ethics Official or Corporate Ethics Official who shall take action as appropriate.

REPORTING SUSPECTED NON-COMPLIANCE

The Company and its Board of Directors is committed to providing Associates multiple avenues to raise, review and resolve ethics issues. Reporting alternatives are as follows:

- The immediate supervisor should be the primary resource in most instances.
- An Associate is also free to seek the advice of anyone in the department's chain of command.
- If an Associate does not feel comfortable with utilizing the first two alternatives, he or she should contact the Unit Ethics Official at the applicable subsidiary or the Corporate Ethics Official as provided below.

ESCO Technologies Inc.
 Corporate Ethics Official
 Attention:
 V.P. Human Resources
 9900A Clayton Road
 St. Louis, MO 63124
 Phone:
 314-213-7226
 Fax:
 314-213-7225
 E-mail: corporateethicsofficial@escotechnologies.com

- Another alternative is the Human Resources department within the subsidiary or at corporate headquarters.

- Associates may also contact ESCO's General Counsel or any attorney in ESCO's Legal Department.

ESCO Legal Office - General Counsel
 9900A Clayton Road
 St. Louis, MO 63124
 Phone:
 314-213-7217
 Fax:
 314-213-7215
 E-mail:
escolegal@escotechnologies.com

- Lastly, Associates may also make a confidential report to the ESCO Ombudsman, a corporate official, designated to receive such reports. Such reports may be made in writing, by phone or by e-mail, at the addresses and/or phone numbers set forth below.

in writing to:
 ESCO Technologies Inc.
 Attention:
 Ombudsman
 9900A Clayton Road
 St. Louis, MO 63124
 by phone in the U.S. to the Ombudsman Hotline at 1-800-272-0872;
 or by e-mail: Ombudsman@escotechnologies.com.

Associates may make reports to the Ombudsman anonymously. If this occurs and enough facts are available to proceed, the anonymous report will be fully investigated.

PROCEDURES

All such reports will be dealt with confidentiality. The identity of any Associate asking questions or raising concerns will be safeguarded to the extent reasonably possible. Reports will also be fully investigated and, to the extent possible, a response will be provided. Reports made to the Corporate Ethics Official, General Counsel or Ombudsman in languages other than English should be submitted in written form. No retaliation or harassment of Associates who raise questions or make such reports will be



tolerated. All reports of Ethics Code violations received by Unit or Corporate Ethics Officials, the Company's Human Resources Departments, the Legal Office or the Ombudsman will be logged in and reported to the Nominating and Corporate Governance Committee of the ESCO Board of Directors.

ADDITIONAL PROCEDURES FOR CERTAIN THIRD PARTY COMPLAINTS

Complaints by third parties regarding accounting, internal accounting control or auditing matters should be submitted to ESCO's Ombudsman. All such complaints will be reported directly to the Audit and Finance Committee of the ESCO Board of Directors.



CODE OF CONDUCT

ACKNOWLEDGEMENT

I have received and reviewed the ESCO Code of Business Conduct and Ethics and agree to abide by the terms and conditions contained therein.

Signature of Associate

Type or printed name of Associate

Date

Name and address of unit

Please complete and return this acknowledgement form to the operating unit Ethics Official.