In today’s increasingly complex and unpredictable global markets, Parker’s success begins with our ability to effectively adapt to meet the needs of our customers. Parker’s unwavering values, however, are equally critical to ensuring the company’s future for the next 100 years and beyond.

The Win Strategy provides a comprehensive framework to enable Parker team members to thrive and our company to achieve long-term profitable growth. Doing so the right way, however, is a responsibility we all share.

As a global company we must be focused on compliance with the local laws and regulations governing our businesses in all jurisdictions in which we operate. Compliance, however, is only the minimum, and at Parker we have never been satisfied with doing only what is required. The Global Code of Business Conduct establishes a higher standard for integrity and ethical business conduct, and we strive to set a positive example for the companies around us.

Generations of Parker team members have embraced Art Parker’s values of hard work and integrity to create the strong foundation upon which Parker’s world-class reputation has been built. From building enduring partnerships with customers and suppliers to attracting honest and engaged team members who are aligned with our vision, our way of doing business will continue to be a key driver of Parker’s sustained value and long-term success.

Parker has a strict anti-retaliation policy in place to protect any team member who reports an issue or concern in good faith. If you observe any conduct that is not aligned with Parker’s values or policies, or could potentially violate applicable laws or regulations, take an active role in addressing it. Immediately report your concerns to local leadership or the Corporate Compliance Office, or access the Parker Integrity Line.

Now it is up to all of us to preserve and further enhance our reputation as a trusted business partner. We must never sacrifice our integrity and ethics to achieve our business goals or for any other reason. It only takes one incident or lapse of judgement to tarnish the reputation that has been built throughout the course of the company’s entire history, so let’s work together to help protect Parker’s legacy for future generations of Parker team members to come.

Sincerely,

Thomas L. Williams
Chairman and Chief Executive Officer

Lee C. Banks
President and Chief Operating Officer
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For nearly 100 years, Parker has been manufacturing products that help people live safer, more comfortable, and more exciting lives. Our products helped Charles Lindbergh cross the Atlantic, Boeing to produce its jetliners to bring the world closer together, Neil Armstrong to land on the moon, and Apollo 13 to return astronauts safely to earth.

Today, we are on a mission to meet the unmet needs of humankind, in applications as diverse as developing new energy sources, ensuring the safety of food, purifying water, protecting the environment, improving transportation, and supplying doctors and hospitals with products that enable millions of people to live healthier lives.

Most of the companies that were operating when Parker was founded are no longer in existence. We have prevailed because of the culture that our people have built. It is a culture that champions the essential building blocks for success. We have lived by the values of premier customer experience, a commitment to entrusting critical business decisions to those closest to the customer, a refusal to give up in hard times, an inclination toward constant learning and continuous improvement, and the humility to realize no one can succeed without help from fellow team members.

Let us all pledge a mutual commitment to each other to continue to strengthen our ethical heritage of integrity. When we observe conduct that falls short of our values, we will put a stop to it; and when we see our fellow team members upholding our highest aspirations, we will celebrate that which makes us great.
Code of Business Conduct

Parker’s Global Code of Business Conduct sets non-negotiable global expectations for our behaviors, decisions and actions. This Code defines how we embed integrity, ethics, respect and fairness into our business operations.

Our Global Code of Business Conduct is designed to be a resource and reference guide for our team members and does not intend to address every law, Parker policy or business conduct issue that our team members may face. Our Code goes beyond mere compliance with the law. At Parker, compliance with a corporate policy, rule or law is the minimum requirement. However, doing the right thing sometimes requires much more than the minimum.

This Code applies to all of our team members, consultants, independent contractors, suppliers, agents and our Board of Directors without exception.

Parker Values

Our business is founded on a history of fair dealings, highest standards of business, legal and ethical conduct, and listening to our customers and team members. We believe our future growth is assured by honoring that tradition of excellence and by ongoing adherence to our core values. These core values include:

- **Winning Culture** – We insist on integrity, honesty, respect and ethical behavior.
- **Passionate People** – We are empowered; every idea counts and every role has a voice.
- **Valued Customers** – We aim to delight our customers by partnering with them and responding to their needs.
- **Engaged Leadership** – We lead by example, demonstrating our values in all circumstances and at all times.

We believe that by adhering to these values, our company will remain the global leader in motion and control technologies. Above all, we believe that through our talents and our products, Parker can make a meaningful difference in our communities around the world.

Our Personal Responsibility

Parker’s global reputation as a company that wins with integrity depends on each team member at all times acting in compliance with the law, this Code, our policies and our values. We work hard to build and maintain trust and create an environment that invites candor and engagement. In turn, we all have a personal responsibility to act with integrity and to report concerns appropriately.

All of our team members, consultants, independent contractors, suppliers and our Board of Directors are expected to:

- Use good judgment. Always strive to do the right thing.
- Follow the principles outlined in this Code and all Parker policies as well as all applicable legal requirements.
- Speak up. If you notice something of concern, speak up, ask questions or report it using the proper channels.

We require adherence to this Code in all of our interactions and will walk away from business we cannot achieve ethically, legally and in accordance with the principles of this Code.

As a general matter, the provisions of this Code will not be waived. In the extremely limited and unusual circumstance where a waiver may be appropriate, the waiver can only be made with the written approval of both the Chief Executive Officer and the General Counsel. If the individual involved is a director or an executive officer of Parker, however, the waiver can only be made by the Parker-Hannifin Corporation Board of Directors and will be promptly disclosed to shareholders as required by applicable law and stock exchange listing standards.

Continued on next page
Anti-Retaliation Policy
At Parker, we protect all of our team members from retaliation for good faith reporting or participating in an investigation. Good faith does not mean an individual has to be right; but it does mean that the individual must believe that the information provided is truthful.

Anyone known to retaliate will be subject to a disciplinary review.

Available Resources
A number of resources are available to answer questions and help you determine an appropriate course of conduct. Your primary resources are your manager, local Human Resources Representatives and local Compliance Officers. Other resources include the Corporate Compliance Office, Legal Department, Internal Audit Department and the company’s Integrity Line.
Respect in the Workplace

Engaged employees are an integral part of the Win Strategy™ and drive Parker’s success. We honor one another by seeking out and welcoming diversity, being open and honest in our interactions, and creating an environment of collaboration and inclusion. Additionally, we honor Parker by not engaging in behavior that will cause harm to our reputation.

Discrimination

Our team members are committed to the success of Parker. We value their contributions and are highly committed to providing an environment that supports them. At Parker, we treat one another, customers, suppliers and other business partners with respect and dignity. We insist on a positive work environment, and speak out if that goal is compromised by anyone.

We are proud to actively promote diversity in our workforce and in the workforces of those with whom we do business. Throughout the world we are committed to practices that result in the inclusion of all employees and that advance fair treatment of qualified individuals without regard to age, race, color, religion, gender, disability, national origin, ethnic group, sexual orientation, genetic information, familial status, veteran status or any other protected class.

We realize that the world we serve is diverse in its social customs and cultural traditions, and we respect and embrace those differences. We support and obey laws that prohibit discrimination everywhere that we do business. A violation of any related laws or our policies can lead to disciplinary action, including termination.

Drug, Alcohol and Smoke-free Workplace

Parker is a drug-free, alcohol-free and smoke-free workplace. That means everyone will report to work free from the influence of any substance that could impair job safety.

• Do not report for work, or drive a company vehicle or any vehicle on Parker business, while under the influence of alcohol, any illegal drug or controlled substance.

• Do not drink alcoholic beverages while on company premises, except at specified company-sanctioned events. When attending a company-sanctioned event, you are expected to exercise good judgment, avoid becoming intoxicated and avoid driving or engaging in other potentially dangerous activities while under the influence of alcohol.

Additionally do not possess, use, sell or offer illegal drugs or other controlled substances while on company premises or while working. Confirmed instances will be reported to the local authorities where permissible by law.

Continued on next page
Respect in the Workplace

Harassment
Harassment (including sexual harassment) in the workplace is not tolerated. The following are some examples of inappropriate conduct. Engaging in any of the conduct below will subject you to disciplinary action, including possible termination:

- Communication of unwelcome remarks, gestures, or physical contact.
- Telling jokes that ridicule or offend a member of a particular race, religion, gender, or other characteristic.
- The display or distribution of sexually explicit or graphic materials, including pictures or other content that may be found by others to be offensive or inappropriate.
- Verbal abuse.
- Threats or taunting.
- Refusing to work, or otherwise cooperate with, an individual because of their race, religion, gender, or other characteristic.
- Taking an adverse action against an employee (e.g., suspension or termination) because the employee has raised a concern about a violation of policy or law.

Social Networking
As the use of online social networking increases, it is important that Parker team members use these forums appropriately and responsibly. While social networking opens up new opportunities to have a positive impact on our brand reputation and business growth, it also carries significant business risk when used inappropriately.

While engaged in social networking, you should remember that all of our existing policies apply. This includes maintaining the confidentiality of Parker’s business, technical and financial information. You should always obey and respect all applicable laws, policies and regulations while online and follow the terms and conditions of use that have been established by the social networking site.

Any Parker business unit that wishes to establish or be represented on a social networking site must first receive approval from the Vice President of International HR & External Affairs, or his or her designee, including video postings on social media sites, such as YouTube, Youku or other similar sites concerning the Company.

Violence Prevention
Parker is committed to a safe work environment that is free from threats, intimidation, and physical harm. Everyone has the right to work in a safe environment and everyone shares the responsibility for ensuring the safety of others.

Parker does not tolerate violent behavior in the workplace including, but not limited to:

- Physical harm or the threat to harm.
- Loud, angry or disruptive behavior.
- Intentional disregard for the physical safety or well-being of others.
- Any comments or behavior that could be reasonably interpreted as a threat.

Each of us, as ambassadors of the Parker culture, has an obligation to contribute to and maintain a positive working environment, anything less is unacceptable.
Responsibility to Parker

We can only achieve our goals if we insist on integrity, honesty, respect, legal and ethical behavior. Thus, we honor Parker by not engaging in behavior that will cause harm to our reputation, and by complying with the laws in every country where we do business.

Business Expenses
We are required to truthfully, accurately and completely record travel and business related expenses. Parker funds are to be used prudently and only for legitimate business purposes. Each of us is required to abide by company policies regarding the use of corporate credit cards, preferred travel suppliers, necessary management approvals, receipts, expense reports and other travel-related matters.

Always be honest and accurate when submitting expense claims for reimbursement, and never use Parker funds for personal travel or entertainment, or to supplement your income.

Company Assets
Each of us is entrusted with numerous company assets and has a responsibility to protect them. These assets include not only cash and other financial assets, but also equipment, inventory, supplies and intellectual property. We follow security procedures to protect assets and we are alert to situations that could lead to loss or misuse of assets.

We refuse to tolerate any act that involves theft, fraud, unauthorized disclosure, embezzlement or misappropriation of any of these or other company assets. We also refuse to tolerate others’ participation in such activities.
Responsibility to Parker  Continued

Conflicts of Interest
Because we are expected to act in the best interest of Parker at all times, we need to watch for potential conflicts of interest. A conflict of interest arises when personal, social, financial or political activities or business relationships interfere with team member’s objectivity and loyalty to Parker. Actual conflicts, as well as the appearance of conflicts, must be avoided.

Carefully consider your own situations for any actual or apparent conflicts of interest. If you believe you, or a family member, have a conflict of interest, you must promptly disclose it to your manager and to the Corporate Compliance Office.

The following situations are examples of conflicts of interest and are prohibited:

• You or your family members own, or have interest in, a business that competes with, sells to or buys from Parker.

• You make purchasing decisions for Parker based on your personal interest rather than Parker’s interest.

• You or your family members receive personal, unearned benefits as a result of your position in Parker.

• You or any of your family members own financial investments in competitors, suppliers or customers other than nominal investments in public companies.

Here are some situations in which a conflict of interest could arise:

• You or your family members also work for a competitor, customer or supplier.

• You engage in relationships (whether business or personal) that could impair your independence or judgment.

Q My co-worker’s daughter has just been hired for a job in our department. Does this represent a conflict of interest?
A We do have cases where relatives work in the same department. When this occurs, we ensure that raises and job performance evaluations are handled by someone independent and the situations are monitored on an ongoing basis to maintain objectivity and fairness.

Q My husband has just accepted a position with one of our suppliers. Is this a conflict of interest?
A This could be a problem if you, or someone who reports to you, has business dealings with the supplier or plays a role in selecting suppliers. Tell your supervisor about this relationship and do not participate in decisions or negotiations with the supplier.
Confidential Information – Inventions, Patents, Copyrights, Trademarks and Trade Secrets

Our ideas and inventions, our innovative customer solutions, and other proprietary information, are valuable assets that differentiate us from our competitors and must be protected.

We handle Parker’s intellectual property and other confidential information with extreme care. This includes trademarks, patents, copyrights, trade secrets and other proprietary information.

Examples of other confidential or proprietary information could include: sales and marketing databases; product or systems designs and processes; business strategies; research and technical data; new product development; software; and employee, customer and supplier lists.

Protect our confidential Information by doing the following:

- Ensure a nondisclosure agreement is signed by Parker personnel upon hire and all third parties prior to commencement of engagement.
- Maintain a listing of confidential information, and securely store it physically and electronically, with access on a need-to-know basis.
- Keep information only for the length of time as noted in our Records Retention and Protection Policy. As needed, shred or discard obsolete documents in an approved manner.

Data Accuracy and Completeness

We must maintain full, fair, timely, accurate and understandable financial and business records, as well as disclosures in the reports and documents we file or furnish to the U.S. Securities and Exchange Commission and regulators around the globe. We prepare our business records and financial reports with integrity and honesty, whether they are externally reported or used internally.

- Never misrepresent our financial or operational performance or otherwise knowingly compromise the integrity of the company’s financial statements.
- Never enter information in our books or records that intentionally hides, misleads or disguises the true nature of any financial or non-financial transaction, result or balance.
- Follow all processes and controls designed to ensure the accuracy of Parker’s financial results.
- Those asked to review or certify information related to Parker’s internal controls must do so fully, accurately and in a timely manner.
- Always cooperate and communicate openly with members of Parker’s internal audit and compliance, accounting and legal teams, as well as with Parker’s independent auditors and government investigators or regulators with respect to Parker’s accounting practices, financial statements or operations and quality records. Never attempt to influence, coerce, manipulate or mislead any of these individuals.

What should I do if I feel pressured to make reports reflect better performance than actual?

Never falsify records. Contact the Corporate Compliance Office immediately to report your concerns.
Responsibility to Parker

Information Technology and Electronic Communications

Parker’s information technology assets and electronic communications resources are provided to team members for Parker business purposes. All files, information, communications and other data stored, transmitted or processed on Parker information technology assets and electronic communications resources are the property of Parker, and Parker reserves the right to access, monitor or disclose such files, information, communications and other data at any time, within Parker and to third parties, as permitted by law.

Limited personal use of Parker information technology assets and electronic communications resources is permitted if such use does not (1) interfere with work duties, (2) adversely impact the functionality of Parker’s information technology assets, (3) relate to an outside business venture or (4) violate the law, this Code or any other Parker policies, practices or procedures.

Team members must use Parker’s information technology assets and electronic communications resources in an authorized manner and in a manner that avoids security threats.

Insider Trading

It is against Parker policy and prohibited by U.S. securities laws to trade in the securities of Parker or other companies (including Parker customers and suppliers) when you are aware of material non-public information about Parker or any of those companies, or to disclose any material non-public information to others (such as friends, family members and business contacts) who may trade in those securities.

Material non-public information may include, for example, confidential news about mergers, acquisitions, divestitures, major litigation, new product introductions, large contract awards, financial results, earnings or other forecast information, stock splits or other information that has the potential to affect the stock price of Parker and/or the other company.

Review Parker’s Insider Trading Policy for important additional details. The rules relating to insider trading are often complex, are not always intuitive and carry potentially severe consequences, for both you, our team members, as well as for Parker. Specific questions should be referred to the Legal Department.

Product Quality

All of our products must be safe and dependable, and must meet all applicable legal and regulatory requirements, as well as the quality requirements and specifications of our customers and Parker’s corporate, group and division policies and procedures. We are committed to strict product integrity for one simple reason – because it is the right thing to do.

Parker team members must never willfully conceal defective work or material, intentionally falsify records or make false certifications or claims regarding the safety or quality of Parker products.
Safety
We are committed to providing a safe and healthy work environment. Yet simply obeying safety rules is not enough. Parker’s commitment to safety means each of us needs to be alert to safety risks as we go about our jobs and being proactive in ensuring a safe and healthy work environment. Below are some basic rules you must follow:

• Always comply with the requirements of the environmental, health and safety management system at your work location and stop any work that becomes unsafe.
• Only undertake work for which you are trained, competent, medically fit and sufficiently rested and alert to carry out.
• Make sure you know what to do if an emergency occurs at your place of work.
• Help ensure that those who work with you – employees, contractors and other third parties – act consistently with Parker’s safety commitments.
• Promptly report to local Parker management any accident, injury, illness, unsafe or unhealthy condition, incident, spill or release of material to the environment, so that steps can be taken to correct, prevent or control those conditions immediately.

Seek advice and help if you are ever unclear about your safety obligations or you have a concern about a potential or actual breach of law or Parker requirement.

Speaking on Parker’s Behalf
Contact the Vice President of External Affairs and Communications if you receive an inquiry from the media, receive a request for Parker to participate in a public relations event, or are invited to participate in a corporate survey or speak publicly on behalf of Parker. All inquiries from financial or industry analysts or investors are to be directed to the Investor Relations Department.
Dealing with Third Parties

Our customers are the reason we exist and they should always feel that we value them. We fairly represent our products and services to them. We listen to our customers’ needs, and challenge ourselves to find new ways to offer the best solutions with honesty and integrity in a professional, courteous manner. We deliver on what we promise.

We must ensure that we always select the right partners. We must conduct reasonable due diligence on our business partners to ensure our business is conducted in compliance with global laws and regulations, and establish and maintain written agreements with those business partners containing appropriate compliance provisions approved by the Legal Department. We do not make side deals or other business commitments outside of Parker’s contracting process and policies.

Bribery and Corruption

We will win business only on the merits and integrity of our products, services and people. We do not tolerate bribery, kickbacks or other illegal or corrupt business practices in any jurisdiction.

Additionally, we must never offer, provide or promise anything of value that could be perceived as a payment for obtaining, retaining or directing business or acquiring an improper business advantage with a commercial customer or government official (including employees of state-owned or state-controlled enterprises), even if it is an accepted business practice in a particular location.

We must comply fully with the anti-bribery and anti-corruption laws of all countries in which we do business, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. Facilitation payments to any government employee for any reason, regardless of how small, are strictly prohibited.

Payments to speed up routine administrative actions are considered facilitation payments (e.g., processing visas, shipments through customs).

If you have a question about whether a certain payment represents a bribe or facilitation payment, have been requested to make such a payment, or you suspect one has been made, please contact the Corporate Compliance Office or Legal Department immediately.

Fair Competition

Parker succeeds in the marketplace by competing aggressively, but fairly. Our products and services stand on their own merits. We do not misrepresent the characteristics of our products and services, and we do not deceive our customers or engage in any other unfair practices. We believe in free and open competition and Parker fully adheres to the antitrust and competition laws in every country where we do business. We understand that certain anti-competitive business practices are prohibited by these laws, including:

- Exchanging information with competitors regarding pricing, marketing, production, territories and/or customers; and
- Proposing or entering into any formal or informal agreement with any competitor that: fixes prices; coordinates bids; allocates production; divides markets or sales territories, products, customers or suppliers; or that covers any other topics of competitive significance.
Additionally, gathering information about our competitors – often called competitive intelligence – is a legitimate business practice. Doing so helps Parker to stay competitive in the marketplace. Obtaining information from public sources, such as newspapers or the internet, is appropriate and encouraged. It is also permissible to ask customers and suppliers if there is any non-confidential information about competitors that they are able to share with Parker. We do not, however, encourage any disclosure that would violate any legal or contractual obligations of the customer or supplier.

When working with consultants, suppliers and other partners, we ensure that they understand Parker’s expectations for the legal and proper gathering of competitive information.

**Giving and Receiving Gifts**

We do not allow our business decisions to be influenced by gifts, favors or hospitality from others. Gifts and entertainment can create goodwill in our business relationships, but can also make it hard to be objective about the person providing them. Our choice of suppliers, vendors and partners must be based on objective factors like cost, quality, value, service and ability to deliver. We must avoid even the appearance of making business decisions based on gifts received through these relationships. We also do not provide gifts, favors or hospitality to others except in compliance with applicable laws and otherwise in an appropriate and ethical manner.

Modest gifts of nominal value such as meals, tickets to the theater or promotional items are generally acceptable to receive and give. Infrequent business entertainment is appropriate provided it isn’t excessive, and it does not create the appearance of impropriety. If you work with government employees or their representatives (including employees of state-owned or state-controlled enterprises), however, be aware that even simple offers such as purchasing a meal or refreshments are likely unacceptable or even against the law.

Contact the Legal Department before providing any gift or entertainment to a government employee.

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**Q** The tooling supplier for the Parker plant where I work just bought my young son a new bicycle. What a nice guy. Is this okay?

**A** No. This appears to be a personal favor to you in order to win your business in an inappropriate way. You must return the bike and tell the supplier that we do not accept personal gifts.

**Q** I want to give one of our best customers a special gift to say thanks. I have access to some football tickets that I know he would appreciate, but I think it’s against his company’s policy for him to accept them. If he doesn’t care about the policy, can I give him the tickets?

**A** No. If you know that giving a gift will violate the customer’s policy, you may not give the gift. Just as we want others to respect our standards, we will respect theirs.

**Q** A customer’s purchasing manager indicates privately to a Parker representative that a $500 gift card sent along with Parker’s competitive bid would “make a big difference” regarding awarding the business. Should Parker do this?

**A** No. This would be providing a bribe.

**Q** The local mayor asks Parker and other local businesses to contribute prizes for the annual Community Days raffle. Can Parker do this? If so, how?

**A** Yes. A contribution to this annual raffle (and NOT to a city employee) is OK if not: a. excessive, b. in cash, or c. given to a specific person.
Information Entrusted to Us
Maintaining customer and supplier trust requires that we use their information appropriately. We are committed to protecting customer privacy and confidential information. We gather information from customers and suppliers to deliver better products and services, and to learn about their preferences. Access to customers' information is restricted to those team members designated as having a need to know that information for business or legal reasons and all access must comply with applicable data privacy laws and customer agreements.

Safeguarding the private data of our customers and suppliers is essential to preserving our reputation and maintaining trust.

Money Laundering
Money laundering is the process by which funds generated from criminal activity such as drug trafficking are moved through legitimate businesses in order to hide their criminal origin. Terrorist financing refers to funding for terrorist activities and can come from legitimate or criminal sources. We abide by all laws designed to deter criminal enterprise, keep us safe from terrorism and protect the national security of the countries where we do business.

At Parker, we cannot facilitate either money laundering or terrorist financing, and we must take steps to prevent inadvertent use of Parker’s business resources for these purposes. We must be vigilant and exercise good judgment when dealing with customers or business partners by, among other things, promptly reporting any unusual or suspicious activities or transactions such as attempted payments in cash or from unusual financing sources, arrangements that involve the transfer of funds to or from countries or entities not related to the transaction or customer, unusually complex deals that don’t reflect a real business purpose, or attempts to evade record-keeping or reporting requirements.
Trade Laws

Parker buys and sells all over the world and is subject to applicable country laws regarding import, export and re-export of goods, services, software and technology.

All Parker team members are required to comply with applicable laws of the U.S. and other countries that govern the import, export and re-export of our products.

- Trade embargoes and economic sanctions prohibit or severely restrict business activities with certain countries and their nationals, as well as business activities with specifically-listed entities and persons.
- Export control regulations impose restrictions on the transfer of certain articles and technology to foreign destinations, or end users.
- Anti-boycott regulations prohibit U.S. companies and their foreign subsidiaries worldwide from participating in unsanctioned boycotts against other countries.
- Compliance with customs regulations include complex processes concerning the classification, valuation, country of origin and marking of the imported goods.
- Tax regulations influence sales terms and the obligations of parties in transactions.
- Cargo security laws provide minimum security standards for ensuring the physical security of cross-border shipments.

This area is very complex; do not try to solve government inquiries on your own. Applicable laws and regulations may vary from country to country. If you have questions about Parker’s compliance obligations in this area, consult with the Legal Department or Corporate Trade Compliance Department.

As a global organization, Parker has established both tools and corporate global trade staff resources to support and ensure compliance with U.S. and other national laws relating to import and export trade. This would include commodities, services, technology, and product distribution. Serious trade compliance penalties can result from non-compliance for Parker Hannifin Corporation, and our employees including prosecution or imprisonment. You are responsible to understand and abide by the laws of the country to which international transactions apply.
Responsibility to Our Governments and Planet

We believe that being a responsible corporate citizen is central to our values, allowing us to inspire trust among our business partners and motivate our team members to make the right choices for our business, our communities and our planet. We are committed to growing the value we bring to our shareholders, honoring their trust and confidence in us.

Corporate Social Responsibility

As a socially responsible corporate citizen, we are committed to making a meaningful and positive contribution to the communities in which we do business. This commitment translates into a Corporate Social Responsibility program with a focus on philanthropy, disaster relief and community service. Our philanthropy program is implemented through giving by our employees, our company and through giving by the Parker Foundation.

The Parker Foundation supports a broad range of people and institutions who share our dedication to fairness, justice, and a sense of mutual responsibility for humankind and the well being of the natural world around us. As we pursue the foundation’s goals, we take all reasonable measures to fulfill our responsibilities as a tax exempt charitable organization. We want to make sure that our funds are used for the intended charitable purposes. The Foundation has three areas of focus which include the needs of the community, math and science education, and energy and water conservation. Our disaster relief and community service focus is largely based around the many communities in which we operate around the globe.

Some important aspects of the program are:

- Any organization receiving funding from the Parker Foundation must be a qualified entity in accordance with US Internal Revenue Service requirements.
- No tangible benefit can be received by Parker or Parker employees from the organization receiving the funding from the Parker Foundation.
- Qualified community service and philanthropy does not include religious, political action, social or fraternal organizations.

Environment

Parker has a long-standing tradition of protecting the environment. Our products, services and manufacturing methods reflect this care and concern and our belief that what is good for the planet is good for Parker.

Accordingly, we are committed to the following principles:

- We are committed to compliance with environmental, health and safety laws worldwide.
- We are committed to minimizing or eliminating the generation of waste.
- We strive to conserve our use of natural resources.
- We respond to environmental concerns of our team members and the communities in which we operate.

Parker’s dedication reaches further than compliance with the law to encompass the integration of sound environmental practices into our business decisions. We believe that taking care of the environment is a part of our responsibility to current and future generations.
Dealing Effectively with Government Officials

As a global company, Parker team members may have contact with government officials (including employees of state-owned or state-controlled enterprises). As always, with any information we provide, you should be honest and truthful. When pursuing business with governments (including OEMs, prime contractors, sub-contractors, and distributors where the original source of funding is the government), the standards of conduct may be different from the standards when dealing with a commercial business.

The laws associated with doing business with the government (or commercial entities receiving government funding) are often complex and impose serious civil, criminal or other penalties for violations on both the company and employees participating in improper practices. If you receive a non-customary or non-standard request for information from a government or regulatory agency you should contact the Legal Department or the Corporate Compliance Office before responding.

Q: Who is considered a government official?

A: When we refer to “government official” we mean (a) an official, employee, candidate or representative of a government (including any government agency, department or enterprise), (b) a political party or public international organization, and (c) the employees of businesses or companies wholly or partially owned, funded, influenced or controlled by a government.

Government Lobbying and Political Activities

Parker may take a public position from time to time on issues important to the welfare of its business, employees, customers, suppliers, shareholders and others. The process by which Parker develops those public positions and engages in political activity takes into consideration the needs across the company. Parker will not permit company funds or property to be contributed to any political candidate or office holder.

Lobbying discussions and documents become part of the public record, and may have serious corporate implications across business groups. Therefore, in any country where Parker operates, any attempt to influence government legislation, rule-making, regulation or the engagement of a lobbyist, on behalf of Parker or any of its business entities, must first be approved by a member of the Office of the Chief Executive (OCE) or the Vice President of International HR and External Affairs.

Government Contracts

Doing business with the U.S. government requires additional knowledge, well beyond the scope of this Code. For this reason, a policy (Policy on Contracting with the U.S. Government) is available to those that are doing business or considering doing business with the U.S. Government.
Human Rights
Parker respects all human rights and has established a global labor relations program to support human rights based on global standards. Parker’s policy is designed to align with various international organizations that promote and protect the human rights of workers all over the world (including, but not limited to, the United Nations Guiding Principles on Business and Human Rights) and with the UK Modern Slavery Act of 2015.

In accordance with its own and these organizations’ various human rights principals, it is Parker’s expectation that all employees are treated with respect and dignity and work in an environment free from unlawful discrimination and harassment and in which there is compliance with all national, state and local laws and regulations regarding forced or indentured labor, human trafficking, child labor, working hours, wages and benefits, and health and safety.

Parker expects its suppliers to operate in agreement with these standards under Parker’s “Supplier Code of Conduct,” and take reasonable measures to ensure such compliance in doing business with such entities.

Q Are all company standards regarding employment rights governed by the law?
A No. Employment laws only set minimum standards that employers must meet regarding its employees; however, companies have a responsibility to be good corporate citizens. This includes protecting certain rights for its employees even if the government has not enacted an employment law to protect that right.
Taking Action

When a violation of our Code, policies or laws and regulations is noted by any individual, we must speak up in good faith. That means providing accurate and candid information to those responsible for performing investigations. We also believe in and require a ‘speak up’ culture. Issues cannot be resolved unless they are made known to the appropriate people.

When an issue rises to the level of concern, we suggest that you confer with your local Human Resources representative or Compliance Officer for guidance.

Integrity Line

Generally, your supervisor or manager will be in the best position to resolve an integrity concern. However, your direct supervisor is not your only option. Other resources include your Human Resources representatives, operating executive-in-charge, local Compliance Officer, Legal Department and the Corporate Compliance Office.

A team member may also report a situation or ask a question by using the company’s Integrity Line system. The Integrity Line is hosted and managed by an independent reporting services partner and is staffed with interpreters. The Integrity Line is available 24 hours a day, 7 days a week, from any location worldwide.

When using the Integrity Line, issues can be raised via telephone or email with the option of maintaining anonymity where permitted by law. When reporting through the Integrity Line, you may be asked to provide more information. If you reported anonymously, the questions will be posted through the reporting service for you to review and respond.

Q I observed an incident, but do not want to get personally involved. What can I do?

A You have an obligation to report the issue. The Integrity Line allows you to report anonymously.

Investigations

All investigations will be handled in a professional manner. Confidentiality will be maintained to the extent possible and appropriate with sensitivities to the important privacy interest of all parties.

If you believe that an investigation is being conducted inappropriately, you should report it immediately.

Parker team members should not interfere with internal investigations or engage in their own fact-finding. All team members are expected to cooperate with internal investigations, audits and other reviews, including those conducted in connection with lawsuits or government investigative proceedings.
Corporate Compliance provides annual training for all team members. This training is typically provided in the U.S. during the summer months and internationally during the fall and winter months. It is mandatory for all team members and contractors. The training is offered in multiple media formats (e.g., online, group settings) and languages. Your local Human Resources representatives will guide you through this process.

**Primary Policies Related to Our Standards of Business Conduct**

All team members can contribute to Parker’s culture of compliance by understanding our policies, avoiding violations of this Code and embracing the principals of Parker’s Values Statement.

Feel free to send any email inquiries to Corporate Compliance at parkercompliance@parker.com. For more information about reporting procedures in the country where you work, visit the Audit and Compliance website.

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<tr>
<th>Policy Name</th>
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<tr>
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<td>3.21</td>
<td>Human Resources, Legal</td>
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<td>Anti-Retalation</td>
<td>3.32</td>
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<td>Antitrust</td>
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<td>1.32</td>
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<td>1.02</td>
<td>Legal</td>
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<td>4.12</td>
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<td>1.29</td>
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<tr>
<td>Human Rights</td>
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<td>Human Resources</td>
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<td>1.10</td>
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<td>Records Retention and Protection</td>
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<td>Third Party Business Relationships Due Diligence and Contract Requirements</td>
<td>1.31</td>
<td>Legal</td>
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<tr>
<td>Workplace Violence</td>
<td>3.22</td>
<td>Human Resources</td>
</tr>
</tbody>
</table>
How to Raise an Integrity Concern

Parker’s Integrity Line – Discuss the Issue
Generally, your supervisor or manager will be in the best position to resolve an integrity concern. However, your direct supervisor is not your only option.

Other resources include:
• Human Resources Representatives
• Local Compliance Officer
• Legal Department Counsel
• VP – Audit and Compliance
• VP – Integrity and Ethics

CALL
The Integrity Line is hosted by an independent reporting service. It is available 24 hours a day, 7 days a week, from any location worldwide. You may choose whether or not to remain anonymous. Instructions for each country are included on the back page of this booklet. Interpreters are available on the Integrity Line.

CLICK
If you prefer to report a concern online, you may access reporting links on the Audit and Compliance intranet site. Parker’s Integrity Line website is managed by an independent third party that is required by contract and/or applicable laws to provide confidentiality. Translations are available.

Using the Integrity Line
If you use the Integrity Line to report a situation or ask a question, whether by phone or online, you may remain anonymous if you desire. If you choose to remain anonymous, you will receive a tracking number so that you can call back to check on the status of your call or report.

What Happens Next?
If you make a report, it will be investigated confidentially and professionally. You may be asked to provide more information. If you reported anonymously, the questions will be posted through the Integrity Line for you to review and respond. You may or may not receive information on the ultimate results of the investigation, but you will receive confirmation that the issue has been addressed.

No Retaliation
No employee will be disciplined, lose a job, or be retaliated against in any way for asking questions or raising concerns about our legal or ethical obligations when acting in good faith. Good faith does not mean an individual has to be right; but it does mean that the individual must believe that the information provided is truthful.
# Parker Integrity Line Numbers

To report concerns to the Parker Integrity Line, use the number listed below for your country.

Depending on your country, you may or may not need to dial a (1) before the 800-553-0440 number.

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<th>Country</th>
<th>Access Code</th>
<th>Dialing Number</th>
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<td>0800-555-4288 or 0800-288-5288 or 0800-222-1288</td>
<td>800-553-0440</td>
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<td>Australia</td>
<td>1-800-551-155 or 1-800-881-011</td>
<td>800-553-0440 or 0011-1-704-526 2319</td>
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<td>Austria</td>
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<td>Brazil</td>
<td>0800-691-4421</td>
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<td>0800-180-1503</td>
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<td>Hong Kong</td>
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<td>00531-11-5050 or 0066-33-801267 or 0066-33-112672 or 0034-800-900158</td>
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<td>Mexico</td>
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<td>Russia</td>
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<td>United Kingdom</td>
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<td>Venezuela</td>
<td>0-800-225-5288 or 0-800-552-6288</td>
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| Parker Hannifin Corporation  
Office of Audit and Compliance  
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