



## Policy Regarding Related Person Transactions

### Statement of Policy

The Board of Directors (the "Board") of Colfax Corporation (the "Company") has adopted this Policy to supplement the provisions of the Company's Code of Business Conduct and Ethics addressing conflicts of interest arising from transactions with the Company in which an employee or director has a financial interest. Nothing in this Policy is intended to amend or supersede any provision of the Code of Business Conduct and Ethics.

This Policy applies to any transaction or series of similar transactions involving more than \$120,000 in which the Company is a participant and in which a "related person" has a direct or indirect material interest.<sup>1</sup> For purposes of this Policy, "related persons" are the Company's directors, nominees for director, executive officers, and greater than five percent shareholders, as well as their "immediate family members."<sup>2</sup>

As a general rule, all related person transactions should be approved in advance, in accordance with this Policy. Certain transactions, of the type described below under "Standing Pre-Approval for Certain Transactions," shall be deemed to be pre-approved by the Nominating and Corporate Governance Committee (the "Nominating Committee") of the Board under the terms of this Policy.

### Approval Required

Any proposed related person transaction must be approved by the Nominating Committee of the Board unless it is considered pre-approved under Section D. below. If a majority of the Nominating Committee is not disinterested in a proposed transaction, then a majority of the disinterested members of the Board must approve the transaction.

All material information regarding the proposed transaction and the related person's interest in the transaction must be brought to the attention of the Nominating Committee, prior to the time that the Nominating Committee considers the proposed transaction. As a general rule, any director who has a direct or indirect material interest in the proposed transaction should not participate in the Nominating Committee's consideration of the proposed transaction. If, however, a transaction is proposed in which all directors are deemed to have a direct or indirect material interest, interested directors may participate in the consideration and approval of the transaction.

### Ratification

Where advance approval is not practicable, notice of the transaction and the related person's interest in the transaction must be given to the Nominating Committee as soon as practicable after the transaction occurs. In such cases, the Nominating Committee shall determine whether to ratify the transaction. If the Nominating Committee determines not to ratify the transaction, management shall make all reasonable efforts to terminate or otherwise cancel the transaction.

### Standing Pre-Approval for Certain Transactions

The following types of transactions shall be deemed to be pre-approved by the Nominating Committee:

1. **Certain transactions with other companies.** Any transaction with another company that occurs in the ordinary course of the Company's business if the related person's only relationship with that company is as an employee (other than an executive officer), director and/or less than 10 percent owner, and the amount involved does not exceed the greater of \$1,000,000 or two percent of that company's total annual revenues as reported for the last available year. For purposes of this calculation, if the company is part of a consolidated group, revenue figures shall be considered on a consolidated basis with all companies in the group.
2. **Certain charitable contributions.** Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university if the related person's only relationship with the donee is as an employee (other than an executive officer), trustee or director, and the amount involved does not exceed the lesser of \$1,000,000, or two

percent of the charitable organization's total annual receipts as reported for the last available year. Any charitable contributions made by the Company pursuant to the Company's matching gift program generally available to all salaried employees.

3. **Director compensation.** Compensation paid or available to all directors or all non-employee directors for their service as directors.
4. **Compensation.** Compensation arrangements for executive officers for their service as executive officers, if approved by the Compensation Committee of the Board, and relating to employee benefit plans and policies generally available to employees or a class of employees.
5. **Board-approved transactions.** Any transaction that is approved in advance by the Company's Board or by a committee of the Board acting pursuant to authority delegated to it by the Board.
6. **Transactions where all stockholders receive proportional benefits.** Any transaction where the related person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a pro rata basis (e.g., dividends or distributions).
7. **Transactions involving competitive bids.** Any transaction where the rates or charges involved are determined by competitive bids.
8. **Regulated transactions.** Any transaction involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
9. **Certain banking-related services.** Any transaction involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services made in the ordinary course.
10. **Certain investment-related services.** Any transaction involving the provision of investment advice, investment vehicles, brokerage services or other investment related services to a Company-sponsored benefit plan or equity compensation plan, if provided in the ordinary course of business by a company of which a related person is a director, officer, employee or less than 10 percent equity owner of the Company.
11. **Transactions with institutional stockholders and employee benefit plans.** Any transaction with the Company involving a stockholder which is either: (i) an investment company, bank, investment adviser or other financial institution which, in each case, files a Schedule 13G with respect to the Company's equity shares and owns shares in the ordinary course of business; or (ii) a Company-sponsored employee benefit plan or trustee thereof.

<sup>1</sup> Within the meaning of Item 404(a) of the Securities and Exchange Commission's (the "SEC") Regulation S-K.

<sup>2</sup> Any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee for director or security holder. (See Item 404(a) of the SEC's Regulation S-K).