

Cooper Industries' Code of Ethics and Business Conduct

“When in doubt, I ask myself, ‘What would my father or mother have done?’ ”



“It’s that nagging feeling at the back of your mind. When something’s not quite right, you know it.”

“My children learn about right and wrong through my example.”



Employees

General Principles

Cooper is committed to maintaining employment practices that provide equal opportunity for all qualified employees. Cooper's human resources policies and programs are based on the principle that all employees must be treated with dignity and respect. Cooper is committed to providing a safe and healthy work environment and an atmosphere of open communications for all employees.

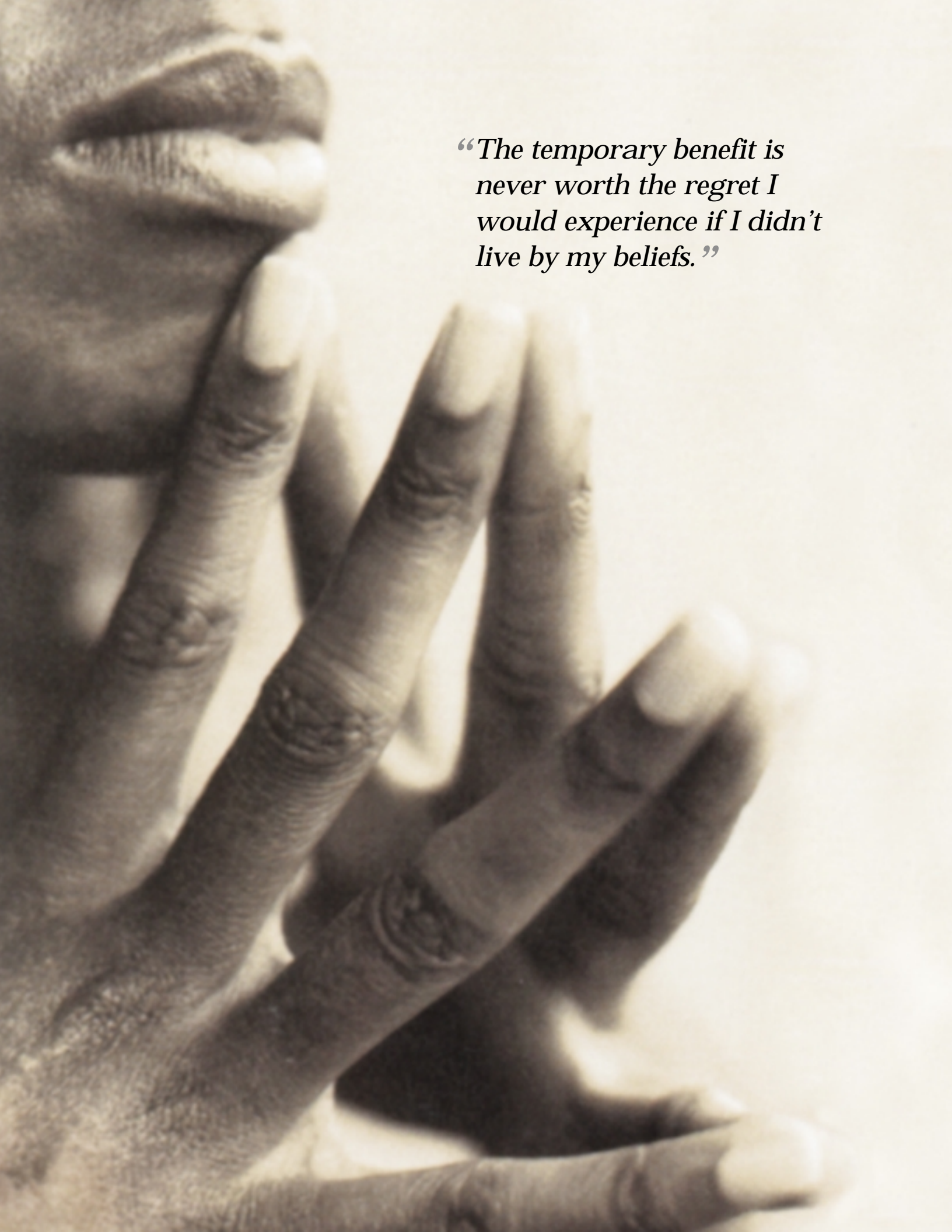
To attract and retain quality employees, Cooper expects to pay wages and provide benefits that are competitive in the community. Wages and benefits must also be competitive within the industry in order to operate Cooper's businesses profitably.

Employees are free to select collective bargaining representation or to work in a union-free workplace. Where unions are present, Cooper will deal with them fairly and conduct negotiations in a purposeful and non-adversarial manner.

Equal Employment Opportunity

It is Cooper's policy to afford equal employment opportunities to all qualified individuals. Cooper will not tolerate discrimination.

*“When in doubt,
I ask myself,
‘What would
my father
or mother
have done?’ ”*



“The temporary benefit is never worth the regret I would experience if I didn’t live by my beliefs.”

Workplace Environment

Cooper will provide its employees with a safe work environment, free from discrimination or harassment of any nature.

Cooper will conduct its operations in a manner that safeguards the environment. All employees must conduct their duties and responsibilities in compliance with applicable laws, industry standards and Company policies relating to health and safety in the workplace and protection of the environment.

Q: *A co-worker is constantly telling jokes at the office that I find offensive and harassing. How do I handle this?*

A: The best way to handle this is to ask the co-worker to stop. If this doesn't work or if you don't feel comfortable asking, then bring the matter to the attention of your supervisor or your Human Resources representative.

Q: *I received an e-mail from my brother-in-law containing a joke that could be offensive to women. Is it okay to forward it to my co-workers who I don't think would be offended?*

A: No — any derogatory comments regarding a person's race, color, sex, sexual orientation, religion, ancestry, ethnic heritage, mental or physical disability, age or appearance may be considered harassment and are prohibited.

Outside Business Interests and Employment

Cooper will employ only individuals who do not engage in outside jobs or other business activities involving a firm that is competing or doing business with the Company. Further, employees may engage in other outside jobs or business activities only when such activities do not interfere in any way with the job being performed for the Company. Cooper's policy is to pay fair and competitive compensation for full-time work. The normal demands of full-time employment are not compatible with "moonlighting," and, therefore, supplemental or secondary employment is discouraged. Employees may not have outside business interests that are in any way detrimental to the best interests of the Company.

No Cooper employee other than division presidents or corporate officers shall serve as the director of any other firm that is organized for profit. Division presidents and corporate officers must obtain written approval from the Chief Executive Officer or the Board of Directors, as appropriate, prior to accepting any directorship position.

Q: *I sell cosmetics on the weekends. Can I send an e-mail to my co-workers to inform them of an upcoming sale on my products?*

A: No. Employees may not engage in a second business during normal working hours and may not use Company computers to engage in any business other than for Cooper.

Affiliation with Vendors or Customers

The Company buys many goods and services from others. In doing this, the Company will award business on the basis of merit, without favoritism, and wherever practicable on a competitive basis. No employee should have any relationship or engage in any activities that might impair his or her independent judgment. Therefore, officers, members of management, as well as any other employee who buys or sells goods or services or who has responsibility in connection with buying or selling for or on behalf of the Company, and members of their immediate families, are prohibited from having any substantial economic interest in private or publicly held business concerns that transact business with the Company or are in competition with it. An interest is substantial if it represents a significant proportion of such business enterprise or is material enough to influence an employee's judgment. An employee must not have any material interest in any business in competition with the Company, or which deprives, or could deprive, the Company of any business opportunities. This policy shall not apply to stock interests in any corporation whose securities are regularly traded on a recognized stock exchange, even though such corporation may in some way compete with the Company, unless such investments are of such size as to have influence on the employee's judgment on Company matters or to amount to management participation in such other corporation.

Confidential Information

Confidential information about the Company and its operations is the property of Cooper and may be used or disclosed only in the performance of the employee's duties. Each supervisor is responsible for controlling the disclosure and use of confidential information by employees under his or her direction. Employees whose responsibilities require ongoing access to confidential information are required to sign a Secrecy Agreement. Examples of confidential information include (but are

not limited to) business strategies, earnings forecasts, manufacturing methods, design drawings, bills of material and customer lists.

Employees shall not, without proper authority, give or release to anyone who is not employed by the Company, or to another employee who has no need for the information, data or information of a confidential nature concerning the Company.

Q: *A friend who works for a market research firm asked me to give him a list of Cooper's employees. I have access to this information through my office computer. May I give him this information?*

A: No, employee information is confidential. Unless specifically authorized, no confidential information, whether maintained electronically or in paper form, shall be given to anyone not employed by the Company.

Dealing with Competitors

Cooper is committed to abide by the antitrust and competition laws of every jurisdiction in which the Company does business. Employees must never exchange information with competitors or potential competitors regarding prices, market share or any other data in violation of the antitrust laws. No employee shall enter into any understanding, agreement or plan with any competitor or potential competitor regarding prices, terms of sale, production or distribution of products or selection of or dealings with customers. Any employee who has responsibility for business conduct that might be subject to antitrust laws must be guided by the advice of the Corporate Law Department.

Protection of Assets

Each employee is responsible for the proper use, conservation and protection of the Company's assets, including its property, plant, equipment, computer information and data, product designs, inventions, and other proprietary business and technical information.

The Company prohibits any dishonest, unethical or fraudulent act, including (but not limited to) the following:

- falsification of Company records for personal or other reasons;
- misappropriation of other employees', customers' or suppliers' assets;

- unauthorized use of Company inventions, product designs, drawings or other proprietary information;
- use of Company computers or telecommunications equipment to conduct any for-profit business other than for the Company; or
- use of Company computers to send e-mails or to access web sites or chat rooms that deal with or promote subjects that are not appropriate for Company use, such as racism, gambling, pornography or other inappropriate subjects.

The Company recognizes that from time to time employees may use Company computers or telecommunications equipment (including telephones) for personal reasons. Such personal use should be outside normal working time (unless an emergency situation exists) and must be of reasonably limited duration.

Q: *I found some old design drawings in a storage room. Can I take them and give them to my brother who is starting up a repair business?*

A: No — all design drawings, blueprints, bills of material and other information about product design and manufacturing are assets owned by the Company and may be used only in performing your job.

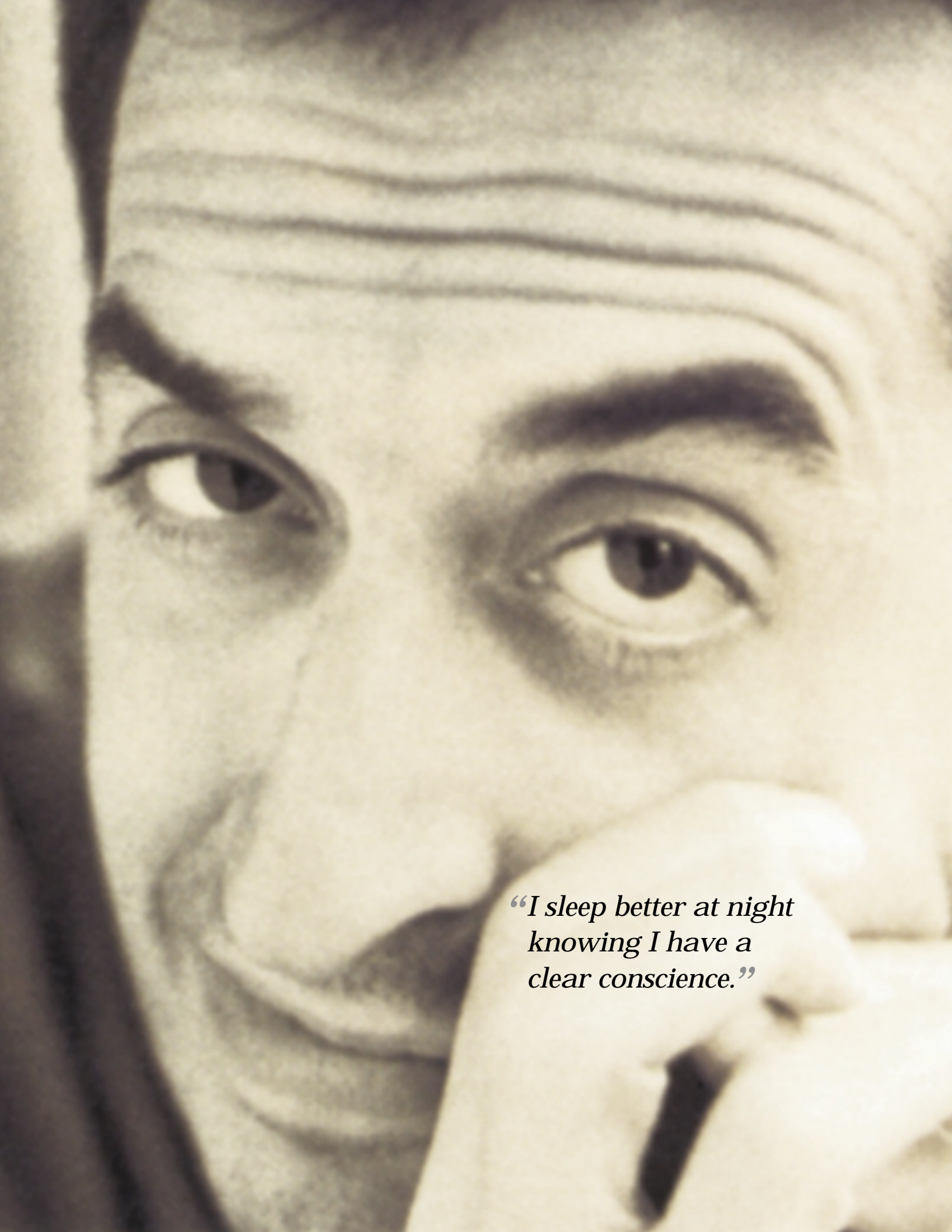
Q: *I use the Internet to purchase books and gifts for family members who live far away. Is it all right if I use my Company computer to make these purchases if I only do so after normal business hours?*

A: Yes. You may from time to time use your Company computer outside of your normal working time for personal matters, as long as your use does not involve racist, pornographic or other inappropriate subject matter. You should be aware that transactions on the Internet are not private.

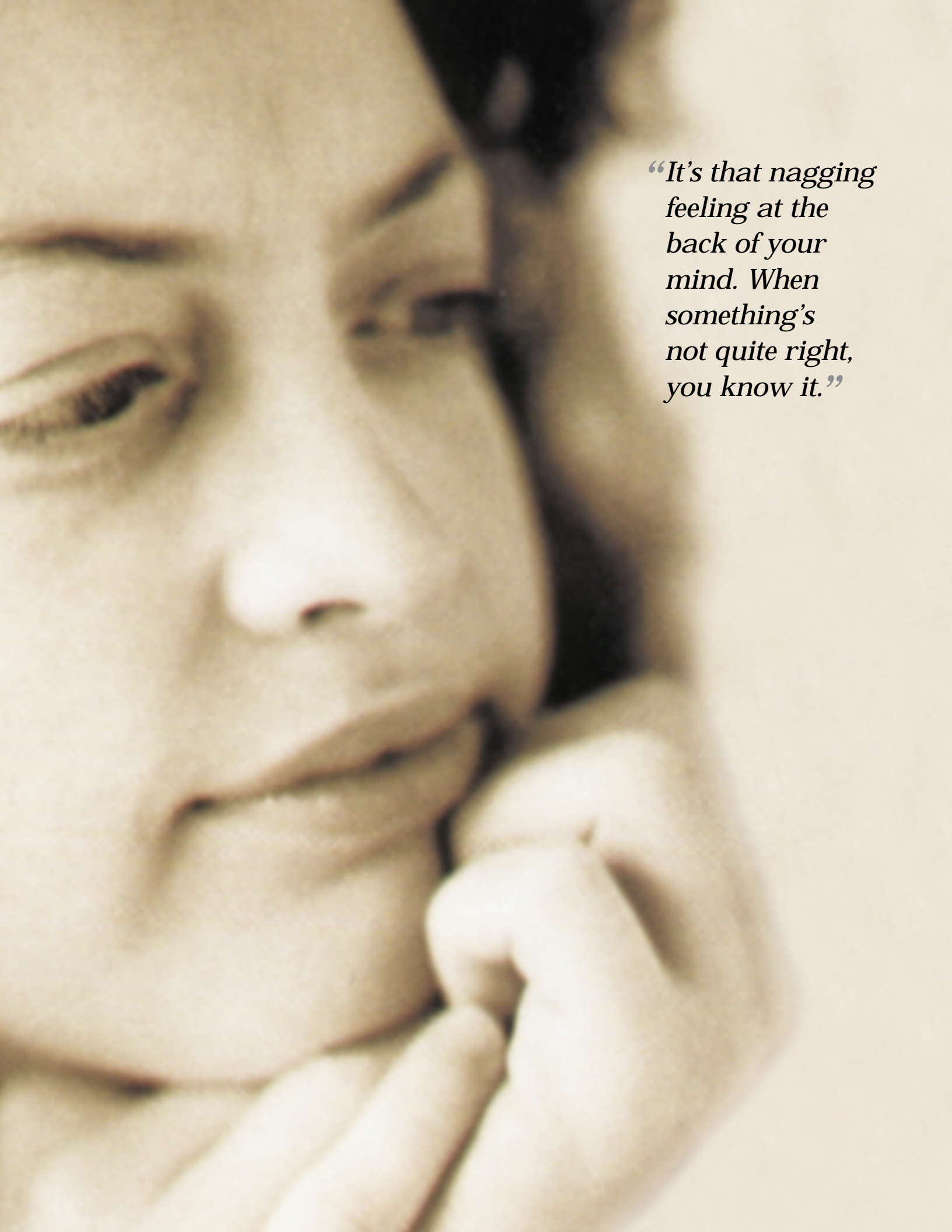
Vendor and customer relationships

General Principles

All employees must deal with vendors, customers and others doing business with Cooper in a manner that avoids a conflict or even the appearance of a conflict between personal interests and the Company's interests.

A close-up, black and white photograph of a man's face. The image focuses on his eyes, which are looking slightly to the right. His forehead is wrinkled, and his hand is visible near his chin, suggesting a thoughtful or contemplative expression. The lighting is dramatic, with strong shadows and highlights.

*“I sleep better at night
knowing I have a
clear conscience.”*



“It’s that nagging feeling at the back of your mind. When something’s not quite right, you know it.”

Gifts, Favors, Entertainment and Payments Received by Employees

Purchases of supplies, materials and services must be accomplished in a manner that preserves the integrity of a procurement process based on quality, performance and cost. No employee or members of his or her family shall accept any gifts of more than token value or any unusual hospitality, lavish entertainment or other favors from third parties, which go beyond common courtesies usually associated with accepted business practice. Gifts or other favors are not of token value if they place an employee under an actual or implied obligation to a vendor, supplier, banker or other person soliciting or doing business with the Company, or could be construed as a bribe or payoff.

Q: *I work as a purchasing manager for the Company. One of our suppliers typically sends a basket of goods for the holidays. Is this acceptable?*

A: Yes, as long as the value of the goods is no more than token value. Holiday gift baskets of token value are a common courtesy usually associated with accepted business practice.

Q: *I am coordinating an off-site business gathering. One of the hotels I contacted said that if I book the meeting there, the hotel will give my family a free weekend stay. I was already planning on booking the meeting there because they offered the best rate. Is it okay if I accept the weekend stay?*

A: No. Although you may have already selected the hotel, accepting the weekend stay could give the appearance of impropriety. Cooper's Code of Ethics and Business Conduct prohibits employees from accepting any gifts in connection with the rewarding of any of its business.

Gifts, Favors, Entertainment and Payments by the Company

Sales of Cooper's products and services must be free from any inference or perception that favorable treatment was sought, received or given due to the furnishing of gifts, favors, entertainment or other gratuities.

Gifts, favors and entertainment may be given to others at Company expense only if they meet all of the following criteria:

- they are consistent with accepted business practice;
- they are of sufficiently limited value, and in a form that will not be construed as a bribe or payoff;
- they are not in contradiction with applicable law and generally accepted ethical standards; and

- public disclosure of the facts, including the identity of the recipient, will not result in embarrassment to Cooper or to the recipient.

Bribes and Other Improper Payments

It is unlawful for any officer, director, employee or agent of Cooper, or any shareholder acting on behalf of Cooper, to offer, pay, promise to pay, or authorize the payment of any money, gift, or anything of value to any foreign official, foreign political party or official of such party or any candidate for foreign political office for the purpose of influencing or inducing such official, party or candidate to use its or his or her influence with a foreign government or governmental organization in order to obtain or retain business for the Company.

No bribe, kickback or other improper payment shall be made by or on behalf of Cooper in connection with any of its business. Local practices or customs may be followed with regard to tips or gratuities for services rendered so long as the amount and timing of the gratuity is such that it could not reasonably be construed as a bribe. No agents' fees or commissions shall be paid if by reason of the excessive amount thereof or requested devious method of payment it appears reasonably likely that a bribe will be paid in connection with the transaction. Employees shall exercise reasonable diligence to ensure that neither the Company's agents or distributors are making any bribes or other improper payments.

Effect of Directorships on Transactions

No contract or other transaction between Cooper and any other corporation or firm shall be affected by the fact that any director of the Company is interested in, or is a director or officer of, such other corporation or firm. No director of Cooper shall vote on any transaction in which he or she, or a company or firm with which he or she has a connection, has an interest or material relationship.

Proprietary Information

All employees will respect the proprietary information of Cooper's vendors and customers and will not disclose any proprietary information unless such disclosure is properly authorized by the individual or firm owning the information. New employees are not to divulge to the Company or other employees any proprietary information of their former employers.

Buying and selling company stock

Cooper Stock

Employees and others are prohibited from buying or selling Cooper stock or publicly traded options for Cooper stock based on information not publicly available. Employees shall not disclose any confidential information to any other person who could use such information for his or her personal benefit when buying or selling Cooper stock.

Confidential, inside information that might be material to a shareholder or potential investor includes (but is not limited to) significant new products, sales and earnings estimates, major contracts, significant business developments, expansion or curtailment of operations, sale or purchase of substantial assets, changes in dividend rate, acquisitions or mergers.

Other Company Stock

Employees may obtain confidential, nonpublic information about another public company in connection with their employment at Cooper. Employees are prohibited from buying and selling the stock of such company until the confidential information is made public by the other public company. This includes (but is not limited to) information about customers, vendors, competitors and potential acquisition candidates. Also, employees shall not disclose any confidential information to any other person who could use such information for his or her benefit when buying or selling the stock of such company.

Cooper Officers and Directors

All officers and directors of the Company must comply with the Insider Trading and Reporting Compliance Procedure.

Q: *I overheard a co-worker discussing an acquisition that Cooper is planning. Is it okay if I tell my father-in-law about the acquisition so he can purchase stock in the other company before the announcement drives its stock price up?*

A: No. Information on potential acquisitions is considered confidential, and employees shall not disclose such information to any other person. Neither you nor your father-in-law may purchase stock in Cooper or the stock of another company to be acquired based on confidential information. If you or your father-in-law do so, you will be in violation of Company policy and both of you may be violating the law.

Accounting controls, procedures and records

Accuracy of Books and Records

The Company is required to keep books and records that accurately and fairly reflect its business transactions and dispositions of assets. The Company maintains a system of internal accounting controls to ensure the reliability and adequacy of its books and records. All employees who have responsibility for accounting, financial reporting, treasury, banking or similar functions must be familiar with the Company's Accounting and Control Policies and Procedures and must comply with their requirements. Employees shall be familiar with and comply with the Records Retention Policy.

Improper Accounting Practices Prohibited

No undisclosed or unrecorded fund or asset shall be established for any purpose. No withdrawal shall be made from any disbursement account except by check or other acceptable means of transfer customarily used by major banks, and then only by authorized personnel, and no check shall be made payable to "cash" or other unidentifiable payee.

No false or artificial entries shall be made in the books and records of Cooper for any reason and no employee shall engage in any arrangement that results in such entry.

No payment shall be approved or made with the intention or understanding that any part of such payment is to be used for a purpose other than that disclosed by the documents supporting the payment.

Travel & Business Expenses

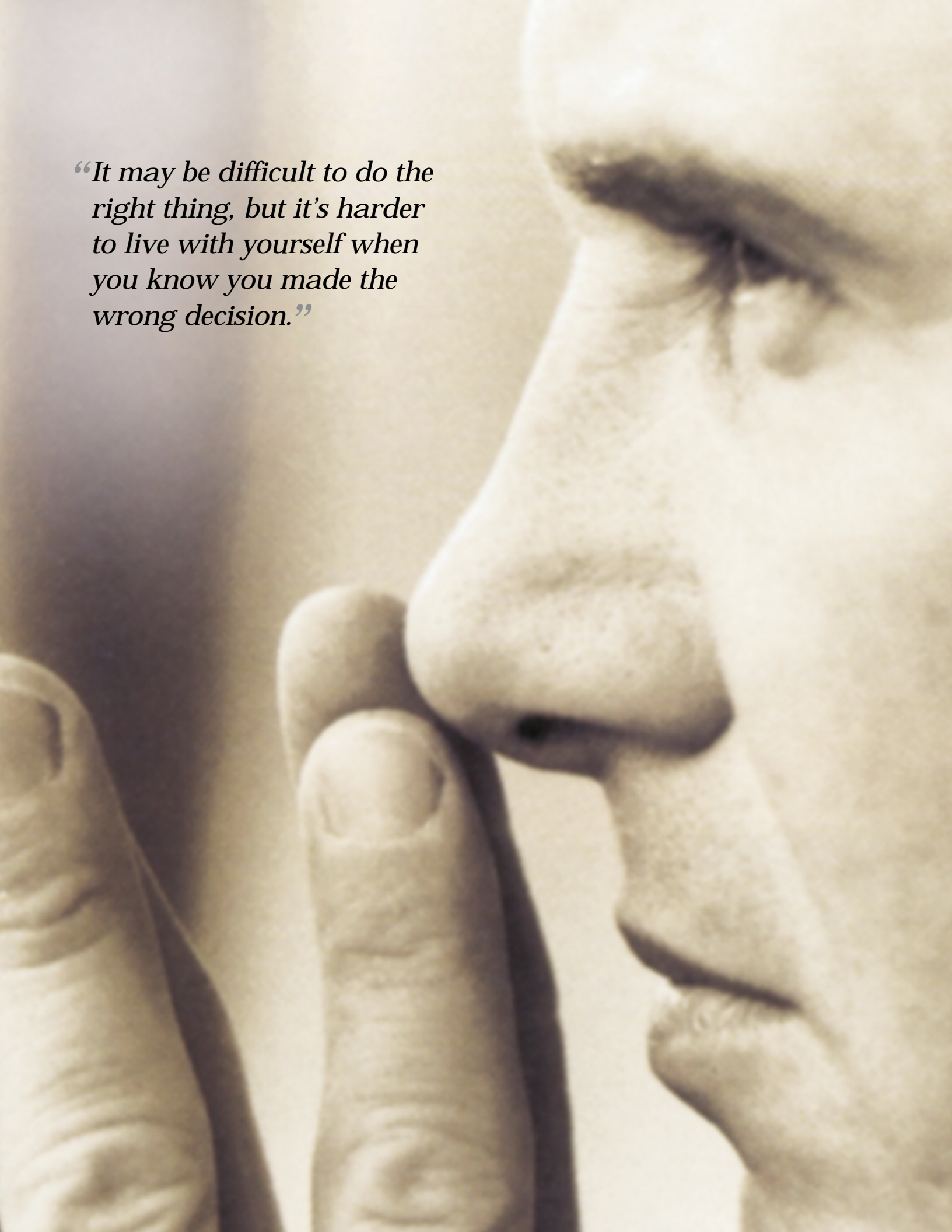
All business, travel and entertainment expenses must be documented and recorded accurately in compliance with the Company's Travel and Entertainment Policy.

Contributions

Political Contributions

Employees shall not use Company funds or assets for contributions of any kind to any political party or committee in the United States or to any candidate for, or holder of, any office of any government — national, state, or local — in the United States. In countries other than the United States, the policy shall be determined in accordance with local law and practice as well as U.S.

“It may be difficult to do the right thing, but it’s harder to live with yourself when you know you made the wrong decision.”





law; but under no circumstances shall any such contribution be made unless:

- a proposal to make such a political contribution has been submitted to the Chief Executive Officer, and approval for the contribution has been received;
- such contribution is recorded in the accounting records as such; and
- such contribution does not exceed U.S. \$1,000.

It is the policy of the Company to encourage free and open elections in those countries (including the United States) where such is the practice. The Company recognizes the needs of candidates for public office to have the financial and personal support of members of the electorate. To this end the Company encourages its employees to contribute their personal funds and their personal time to the support of candidates of their choice. Good judgment should be exercised, and we do not encourage involvement in political activities to the extent that an individual's work effort is impaired.

Cooper operates a political action committee (CIPAC) under the U.S. federal election laws and certain employees are encouraged, but not required, to support pro-business candidates through contributions to CIPAC.

“My children learn about right and wrong through my example.”

CIPAC is managed by a Board of Directors consisting of the Division Presidents and an Executive Committee appointed by the Chief Executive Officer.

Individual Charitable Contributions

It is contrary to Company policy to pressure employees into making individual contributions to charitable fund drives such as the United Way.

Employees are encouraged to assume the obligations of responsible citizenship and support recognized charities, but under no circumstances should an employee ever directly or indirectly be led to believe that his or her position in the Company, or his or her chance of future advancement, is conditioned on the employee's participation in or support of charities.

Q: *My human resources representative told me that I'm the only one in my department who has not elected to participate in the United Way campaign and asked me to reconsider. I just can't spare a donation this year. Will not participating damage my chances for promotion?*

A: No. Cooper respects each employee's right to determine whether to participate in charitable fund drives and the right to determine the amount of any such donations. Your decision not to participate does not in any way impact your performance review or chances for future advancement.

Action steps

Disclosure of Potential Conflict Situations

All employees are required to report, without undue delay, to the Senior Vice President, General Counsel and Secretary or Division President, as applicable, all participation in any outside business relationship or other activity which might involve an actual or potential conflict of interest, and all professional or consultant ventures for compensation, including directorships, so that action may be taken to determine whether a problem exists and, if so, to eliminate it. The Division President shall confer with the Senior Vice President, General Counsel and Secretary, as necessary, concerning interpretation and application of this Code to particular situations.

This requirement in no way limits or restricts the prerogative of the Chief Executive Officer to request any employee to submit a memorandum of disclosure at any

time, or as frequently as the Chief Executive Officer may deem necessary. In the event that changing circumstances alter the statements or representations made in the original memorandum of disclosure, it is the responsibility of the employee to promptly submit to his or her employee relations manager such additional memoranda as will keep and maintain all information current.

It is difficult to describe all of the circumstances and conditions that border on situations that might be considered a conflict of interest. The Company recognizes that there can be borderline situations, and these situations will be reasonably considered with full recognition of the attendant circumstances. Where a definite possibility of conflict of interest is determined by the Company, the employee will be given a reasonable time to correct the conflict.

Corporate Ethics Committee

To ensure continuing attention to matters of ethics by all Cooper employees, the Company has established a Corporate Ethics Committee consisting of the Chief Executive Officer, the Senior Vice President, General Counsel and Secretary and the Senior Vice President, Human Resources. The Senior Vice President, General Counsel and Secretary is charged with responsibility for monitoring compliance with this Code of Ethics and Business Conduct and shall report annually to the Audit Committee.

If a question of interpretation arises or an instance of conflict of interest appears, the Division President or corporate department manager involved should contact the Senior Vice President, General Counsel and Secretary who will confer with the Corporate Ethics Committee regarding corrective action.

The Corporate Ethics Committee shall have responsibility for developing and implementing a corporate-wide business ethics program consistent with the policies and principles set forth in this Code. The compliance program should communicate to each employee the Company's commitment to ethical conduct and compliance with the law, and provide each employee with the training necessary to allow the employee to fully understand the legal requirements that affect his or her job. This will include periodic training sessions and written manuals for employees in those areas where the Committee believes there is the greatest risk of misunderstanding or potential violations.

Dissemination of Code

It is the responsibility of each Division President to ensure that the Code of Ethics and Business Conduct is widely disseminated, understood and applied within his or her division. Dissemination within the corporate office is the responsibility of the Senior Vice President, Human Resources. Dissemination to the Board of Directors is the responsibility of the Senior Vice President, General Counsel and Secretary.

Responsibility of Supervisors

Each supervisor is responsible for compliance with this Code of Ethics and Business Conduct by the employees under his or her direction. Each supervisor must stress the Company's commitment to the principles set out in this Code and create an environment in the workplace that encourages the conduct of all business in accordance with the highest ethical standards.

Disclosure Statements

All employees who are in a position to influence policy decisions for the Company or any of its Divisions, or whose duties include business relationships with vendors and customers, or who have access to confidential information are required to sign the Code of Ethics and Business Conduct Compliance Statement at the time of initial employment, upon promotion to a covered position and periodically (not less frequently than every two years) thereafter.

Disclosure of Violations

In implementing this Code of Ethics and Business Conduct, it is vital that management be made aware of any violation so that corrective action can be taken promptly. Each employee must report any violation or apparent violation of this Code. The Company strongly encourages employees to work with their supervisors in making such reports. In addition, employees may report violations directly to the Corporate Ethics Committee.

Any employee who, honestly and in good faith, reports what he or she believes to be a violation of this Code will not be subject to any disciplinary action or retaliation on account of making such a report. To the fullest extent possible, the identity of an employee making a report will be kept confidential. If an employee believes that he or she is being treated unfairly because

of reporting a violation, this should immediately be brought to the attention of the Corporate Ethics Committee. Anonymous reports will be investigated by the Committee to the extent possible.

On receipt of a report of a violation, the Corporate Ethics Committee will conduct an investigation and prepare a written report, which will be forwarded to the Chairman of the Board of Directors.

To report a suspected violation or ask a question regarding Cooper's Code of Ethics and Business Conduct, call 1-888-330-5075 or write to:

Senior Vice President, General
Counsel and Secretary
Corporate Ethics Committee
P.O. Box 4446
Houston, Texas 77210-4446

Compliance and discipline

Violations of this Code of Ethics and Business Conduct will result in disciplinary action that may include termination, referral for criminal prosecution and reimbursement to Cooper for any losses or damages resulting from the violation. As with all matters involving investigations of violations and discipline, principles of fairness and dignity will be applied. Any employee charged with a violation of this Code will be afforded an opportunity to explain his or her actions before disciplinary action is taken.

Disciplinary action will be taken:

- against employees who authorize or participate directly in any action that is a violation of this Code;
- against any employee who may have deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this Code;
- against the violator's managerial superiors, to the extent that the circumstances of the violation reflect inadequate supervision or a lack of diligence; and
- against any supervisor who retaliates, directly or indirectly, or encourages others to do so, against an employee who reports a suspected violation of this Code.

Additional Accounting Controls, Procedures and Records

Financial Reporting and Disclosure

The Company is required to make full, fair, accurate, timely and understandable disclosure in the reports and documents it files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company. All employees involved in the collection, compilation, or disclosure of such information affect the quality of such disclosures. Accordingly, it is the responsibility of every employee to promptly bring to the attention of his or her supervisor, or the Corporate Ethics Committee, as applicable, any material information of which he or she may become aware that affects the disclosures made by the Company in its public filings or other public communications.

Reporting and Retention of Complaints

Employees with complaints or concerns regarding accounting, internal controls or auditing matters shall contact the Corporate Ethics Committee which will conduct an investigation of each complaint or concern. The Senior Vice President, General Counsel and Chief Compliance Officer shall promptly notify the Chairman of the Audit Committee of the Board of Directors of any such complaint or concern; shall maintain a log of the complaints, tracking their receipt, investigation and resolution; and shall prepare a periodic summary report thereof for the Audit Committee of the Board of Directors. Copies of complaints and such log will be maintained in accordance with the Company's document retention policy. To the fullest extent possible, the identity of an employee making a complaint will be kept confidential. Anonymous reports will be investigated to the extent possible. The Corporate Ethics Committee may be contacted through the telephone hotline or at the address noted in the "Disclosure of Violations" section of the Code of Ethics and Business Conduct.

Waivers of Code of Ethics and Business Conduct

Any waivers of the Code of Ethics and Business Conduct for executive officers or directors of the Company may be made only by the Board of Directors or a committee of the Board of Directors. Any such waivers must be promptly disclosed to shareholders of the Company by posting on the Company's website, and to the extent any waiver or amendment of the Code of Ethics and Business Conduct applies to the Chief Executive Officer and senior financial officers of the Company, the waiver or change must be posted on the website within five business days.



Cooper Industries is a worldwide manufacturer of electrical products, tools and hardware.

Cooper Industries
P.O. Box 4446
Houston, Texas
77210-4446