



Our Code of Conduct



Absolute Integrity

Boundless Energy™

Our market | Our culture | Our customers | Our philosophy | Our commitment

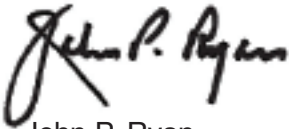


Dear Dresser Employee,

Dresser has been in business for more than 100 years. I am proud to be associated with a company like Dresser, whose reputation for integrity and brands is strong.

Over the years, Dresser, working through each one of you, has developed that strong reputation. Now, each of us must guard and protect that reputation by continuing to demonstrate that we deserve the trust and confidence so many have placed in us. Remember, it took 100 years to build that reputation, but a single action that is illegal, unethical or compromises product quality, can destroy it in moments.

Each one of us *is* Dresser. The actions we choose to take each day will determine the fate of our reputation and the Company. Help me protect the Dresser we have all worked so hard to create.

A handwritten signature in black ink that reads "John P. Ryan".

John P. Ryan
President and Chief Executive Officer

Integrity

This is our core value. In all of our dealings with customers, suppliers, shareholders, business partners, employees and the communities in which we operate, we will conduct ourselves with honesty and fairness. This means doing the right thing even if it is unpopular or unfavorable to ourselves.

Integrity exacts a price. We will pay that price. Having integrity means that we will walk away from any business dealing that might be wrong. Failure to maintain our integrity will cost more.

Integrity demands that we each take personal responsibility for everything we do. Each of us must deliver the same courtesy and respect to others that we expect to receive ourselves.

We are in business to make profits, but only in the right way – with integrity.

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1. INTRODUCTION TO THE CODE

General Policy

This Code of Conduct applies to all of Dresser's business segments including subsidiaries, controlled affiliates, partnerships and joint ventures. It covers all of Dresser's employees, officers and directors as well as agents acting on behalf of Dresser. (Any reference to "employee" within the Code includes all of these individuals.) Dresser can only act through its employees, so each employee must be familiar with the provisions of the Code. Dresser employees will follow all standards that are set forth in this Code even where local law would allow for a lower standard. If local law requires a higher standard, Dresser employees must follow the higher standard. At all times the rights of Dresser employees under applicable laws will be respected.

More importantly, each employee is responsible for seeking knowledge and understanding the laws, rules, regulations and policies affecting their particular work. The Company is responsible for ensuring that employees have access to relevant education relating to compliance with these laws.

A violation of the Code of Conduct is a serious matter. All incidents reported will be investigated thoroughly. Disciplinary actions, up to and including immediate termination of employment, will be taken if deemed appropriate.

Waivers

Certain standards within the Code of Conduct may be waived depending upon the circumstances, such as local customs or laws. A waiver may be granted only by the Senior Vice President and

General Counsel. Corporate Officers and Segment Presidents may be granted a waiver only by the Board of Directors. For assistance in obtaining a waiver, please contact your Business Segment Compliance Manager or the Corporate Office of Ethics and Compliance.

Honoring the Code and Obeying the Law

As Dresser employees, we must always consider and respect our fundamental value of integrity. We all have an obligation to comply with the laws as we conduct our business affairs for Dresser.

A global company such as Dresser is regulated by many different laws at the same time. Dresser and its employees must abide by those laws that relate to the Company's activities. In some instances, there may be a conflict between the applicable laws of two or more countries. When you encounter such a conflict, it is especially important to consult the Law Department to understand how to resolve that conflict properly. You can contact the Law Department by dialing (972) 361-9800.

Q. I have a question that is not addressed in the Code. Does that mean that there is not a problem?

A. No. The Code is intended to give guidance and it is not possible to cover every situation. Talk to your supervisor or your Business Segment Compliance Manager if you have a question or concern about any activity. If you have any concerns, it is always best to ask.

2. SEEKING ADVICE & REPORTING VIOLATIONS

We need to keep integrity at the forefront of our decision-making process at Dresser. Our Code, policies and procedures can't possibly cover every situation that will confront us, but they offer guidelines to be applied in good faith using reasonable judgment.

Ethical Decision Making

The key to exercising reasonable judgment is to ask yourself the following questions when you are faced with a difficult business decision:

- Could it harm the Company's reputation?
- Is it legal?
- Will it harm the environment or someone's safety?
- What would my family and friends say?
- How will it look on the front page of the newspaper?
- Should I bet my job on it?
- Should I check?

If you have any doubt as to the answers to these questions, please seek advice. You don't have to make this decision alone.

Getting Advice & Reporting Possible Violations

Please ask questions, seek advice, and report all concerns. Employees must report any known or suspected violation of the law, any Company policy, or the Code, including a situation where you are requested to take any action that would be a violation.

We know that reporting might be uncomfortable for you.

Q. If I report a possible violation, will I get in trouble if my concern turns out to be wrong?

A. If you witness something that you suspect is a violation, you will not be reprimanded or subject to discipline, as long as you report in good faith. As a Dresser employee, you have an obligation to report, and could actually be subject to discipline if you do not report suspected violations of the Code.

However, if you fail to report a violation of the law, Company policy, or the Code, it might be considered a violation of the Code and could result in disciplinary action against you. If you knowingly report false information, that too may result in disciplinary action against you.

If you have any doubt about what the right course of action is, consult with your supervisor or someone within your management structure. However, if you feel that normal Company communication channels are not appropriate, do not hesitate to seek out any individual listed below:

- Your supervisor, Human Resources representative or a member of your management team
- Your Business Segment Compliance Manager
- The Corporate Office of Ethics and Compliance, by phone at 972-361-9800 or via e-mail to: ethicscompliance@dresser.com
- Dresser's Law Department
- The Integrity Line

The Integrity Line – Your Anonymous Connection

The Integrity Line is maintained by an independent third party and is designed for use in circumstances where you believe it is important for you to remain anonymous. It is available 24 hours a day, 7 days a week, and is offered in most languages. When you

Q. I was asked to prepare false records to hide a situation that violated the Code. I am not comfortable with this. What should I do?

A. Never prepare false records. You are required to bring the situation to the Company's attention. Falsifying records is not allowed, and could result in legal action against you and the Company. If you wish to remain anonymous, please call the Integrity Line.

call, you can remain anonymous. No one at Dresser will know who you are, unless you want to reveal your identity.

In the U.S. or Canada, call 888-898-DSSR (888-898-3777)
www.dresser.com/integrityline

For locations outside the U.S. or Canada, please see the country codes below to be used with the above number. If you do not see an access code, please call collect at (704) 323-4971 or report your concerns at the web site above. This information can also be found on the wallet card that is located at the back of this booklet.

If you prefer written communication, send all correspondence to:
Corporate Office, of Ethics and Compliance
Dresser, Inc.
15455 N. Dallas Parkway, Suite 1100
Addison, Texas 75001 U.S.A.

Brazil
0800 890 0288 or
0800 8888 288

China – North
108 888

China – South
108 11

France
0 800 99 0011

Germany
0800 2255 288

India
000 117

Italy
800 172 444

Japan
00 665 5111 or
00 441 1111 or
00 539 111

Malaysia
1 800 80 0011

Mexico
01 800 288 2872 or
001 800 462 4240 or
01 800 112 2020

Norway
800 190 11

Poland
00 800 111 1111

Singapore
800 0111 111 or
80 0001 0001

Spain
900 99 00 11

Sweden
020 799 111

Switzerland
0 800 890011

United Kingdom
0800 89 0011 or
0500 89 0011

No Retaliation

You will not be discharged, demoted, suspended, threatened, harassed, retaliated against or in any manner discriminated against because of any good faith act on your part to report wrongdoing to supervisors, investigators, government regulators, lawyers or parties in a judicial proceeding.

Ethics and Compliance Organization

The compliance program at your business segment is administered by its own Compliance Manager. The Corporate Compliance group, led by the Senior Vice President and General Counsel, provides oversight for the entire organization.

In order to ensure the independence and authority of the Ethics and Compliance Organization, the Board of Directors established a direct reporting line for the Senior Vice President and General Counsel to the Audit Committee of the Board and also to the Chief Executive Officer of Dresser. Similarly, each Business Segment Compliance Manager reports to a senior member of the business segment leadership and also to the Corporate Office of Ethics and Compliance. This senior-level, dual-reporting structure is designed in part to demonstrate the importance that Dresser places on compliance with the Code.

3. IN THE WORKPLACE

Respect for One Another

Dresser is committed to providing equal opportunity to all qualified individuals. This commitment relates to all phases of employment, including recruitment, hiring, placement, promotion, transfer, compensation, benefits, training, educational, social and recreational programs, and the use of our facilities. Dresser prohibits discrimination against any employee or applicant based on sex, race, religion,

national origin or citizenship, age, disability, marital status, veteran status or any other legally protected categories.

All employees will be treated with dignity and respect, and Dresser employees are expected to conduct themselves in a manner that promotes respect and trust. The work environment should be free from harassment. Verbal or written harassment, physical harassment, sexual harassment and workplace violence are never acceptable and will not be tolerated. On the other hand, it is not considered “harassment” for supervisors to enforce job performance and standards of conduct in a fair and consistent manner.

Fair Dealing

Acting with integrity means that each of us will not do anything that might defraud our co-workers, customers or suppliers. This means that we will not engage in false or misleading advertising or disparaging competitors. We will compete solely on the basis of the pricing and quality of our products and customer service.

Responsibility for Safe and Healthy Work Environments

Dresser will take reasonable action to protect employee health and safety. Employees are responsible for conducting their duties and responsibilities in a manner that is compatible with Dresser’s

Q. I have witnessed a senior executive of the Company violating the Company’s harassment policy. I am afraid to report this due to the level of her position and fear of retaliation. What should I do?

A. You have an obligation to report any acts that you suspect are violations of this Code. If you are uncomfortable speaking with the individuals listed previously in this Code, please contact the Integrity Line to remain anonymous.

health and safety policies. You should report any safety issues to your local EH&S contact as soon as possible.

The work environment should be free of substance abuse. Under no circumstances may an employee report to work, operate a vehicle or machinery, perform assigned duties or engage in Company business, whether or not on Company property, while under the influence of alcohol, illegal drugs or controlled substances.

This policy does not prohibit employees from taking certain drugs that are being used as prescribed by a licensed physician. However, even those medications must not impair the employee's performance or the essential functions of his or her job, or present a threat to the health or safety of the employee or others in the workplace.

Employees are prohibited from selling, purchasing, manufacturing, possessing or distributing illegal drugs, controlled substances or alcohol while on Company property or conducting Company business. Dresser may inform appropriate law enforcement agencies in conjunction with the enforcement of this policy.

Q. I am considered a minority employee. My supervisor has passed me over several times for a promotion and instead has given the position to lesser qualified non-minority employees, who I am then asked to train. I think this is discriminatory behavior. What can I do?

A. You can—and should—discuss this matter with your supervisor to learn why he or she hasn't considered you for the position. If, however, you feel uncomfortable in discussing this directly with your supervisor, or do not receive a satisfactory answer, please contact your Human Resources Department, your Business Segment Compliance Manager or call the Integrity Line.

Employee Communications

Employees are trusted to behave responsibly, to use good judgment, and not to misuse Company resources.

E-mail or voicemail messages on the Dresser system are not private, and you should consider this when sending or receiving messages. For example, sending e-mail through the Dresser system that includes sexually oriented materials, materials promoting violence, or any other materials that would

be considered offensive by other employees is inappropriate and a violation of Dresser policy. Dresser may access e-mail and voicemail messages of its employees to ensure compliance with the law, Dresser policy or the Code. The rights of the individual under applicable laws will at all times be respected.

Q. I have been asked to skip a safety check because we are behind in our production schedules. We rarely get an unsafe reading when we do the check, but this still doesn't seem right to me.

A. Asking another employee to break the law or a Dresser policy is never right. You must immediately contact your supervisor or Business Segment Compliance Manager, or call the Integrity Line if you wish to remain anonymous.

4. PROTECTING DRESSER ASSETS

Misappropriation of Assets

Company resources, including time, material, equipment and information, are provided for Company business use. Nonetheless, occasional personal use of Company resources may occur without adversely affecting the Company's interests. Please ensure that you are using Company time for Company business.

Fraudulent acts are always wrong. Fraud includes such things as:

Stealing;

- Forging or altering negotiable instruments such as checks; Misusing assets belonging to Dresser, an employee, customer, partner or supplier;
- Filing a false expense report;
- Taking cash, securities, supplies or any other Company asset for personal use;
- Establishing or maintaining an undisclosed or unrecorded bank account, fund or asset of Dresser;
- Unauthorized handling or reporting of Company transactions; and
- Making false, artificial or misleading entries into the Company's records or financial statements.

Conflicts of Interest

You have a responsibility to avoid any activity or financial interest that conflicts, or appears to conflict, with the interests of Dresser. You also must avoid any action that may reflect unfavorably on the integrity or reputation of Dresser. Any activity, interest or involvement by a member of an employee's immediate family that could be directly or indirectly related to Dresser business is considered an activity, interest or involvement of the employee.

Q. I think a co-worker is recording overtime that she didn't actually work. She is a friend and I don't want to get her in trouble, but I want to do the right thing. What should I do?

A. Submitting false time reports or falsifying any type of report is a serious issue. This causes inaccurate financial records and, in this case, is a form of theft from Dresser. Theft of Dresser assets is not only wrong but against the law as well. You must promptly report what appears to be a violation of the Code to your supervisor or Business Segment Compliance Manager, or call the Integrity Line if you wish to remain anonymous.

Here are some of the more common situations involving conflicts of interest:

- Having or obtaining a financial interest in one of Dresser's suppliers, customers or competitors, except for ownership of publicly traded companies of less than 1% of the outstanding shares.
- Engaging in any personal business transaction involving Dresser for profit or gain.
- Discovering a business opportunity through your work with Dresser, and then pursuing it yourself or disclosing it to a third party.
- Being employed by or serving as a consultant, adviser, director or officer, or otherwise performing services for any company or person who does business with or is a competitor of Dresser.
- Dating or becoming romantically involved with other employees of Dresser, or any of its customers, competitors, or vendors, if the relationship is likely to disrupt the work place or create a possible conflict of interest.

Q. My sister works for a competitor of Dresser. We live in different areas of the country and don't have similar jobs. Is this a problem?

A. It is always important to disclose a potential conflict of interest as soon as you become aware of the situation. Your Business Segment Compliance Manager will evaluate the potential conflict and provide advice on how to resolve the issue should it be determined an actual or apparent conflict exists in your particular circumstances. You should promptly contact your supervisor or Business Segment Compliance Manager to initiate this process. Prompt reporting and forthrightness is important to remaining conflict free.

Employees must promptly report any personal activity or involvement that might result in an actual or apparent conflict of interest. The report should be made to your Business Segment Compliance Manager or the Corporate Office of Ethics and Compliance. Depending on the particular situation, it is possible for a waiver of the conflict to be granted by the Senior Vice President and General Counsel. (See “Introduction – Waivers” for additional information.)

Certain employees with discretionary authority who can direct or influence the use or disposition of a significant amount of funds or other assets of Dresser are required to sign a certificate of compliance and disclosure each year. The disclosure of a financial or other beneficial interest in a certification does not necessarily mean that Dresser will deem it significant or substantial enough to be prohibited. Each case will be decided on an individual basis.

Gifts and Entertainment

Dresser has a reputation built on over 100 years of producing quality products and engaging in fair dealing. We operate globally today, and determining what may be appropriate gifts and entertainment for our customers and from our suppliers has become more complicated than ever.

Dresser has many customers and suppliers that are vital to our success. That is why our relationships with them must be based entirely on sound business decisions and objective analysis.

Business gifts and entertainment can build goodwill, but they can also make it harder to be objective about the person providing them. Some gifts and entertainment can even be seen as bribes that can damage Dresser’s reputation and may violate the law. This provision discusses the limits set by Dresser on both gifts and entertainment provided to our customers and received from our suppliers to help ensure Dresser maintains a strong reputation. “Gifts and Entertainment” include anything of value, such as

discounts, loans, cash, favorable terms on any product or service, prizes, transportation, use of vehicles or vacation facilities, stocks or other securities, participation in stock offerings, home improvements, meals, beverages, tickets and gift certificates. The potential list is endless – these are just examples.

Usually acceptable:

Some gifts and entertainment are small enough that they do not require approval. Gifts or entertainment with a market value of US \$150 (or its equivalent in any currency) or less are usually acceptable (as long as they do not fall into the "Always Unacceptable" category below) excluding sales tax, VAT, and customary tips. Within the US \$150 ceiling, the following are usually acceptable without prior approval:

- Occasional meals with either a customer or supplier to discuss a business issue.
- Occasional attendance at ordinary sports, theatre and other cultural events.
- Reasonable incentives to distributors or agents for achieving sales targets.
- Similarly, accepting or giving promotional items of nominal value, such as pens, calendars, and coffee mugs, does not require approval

Always unacceptable:

Certain other types of gifts and entertainment are simply wrong, either in fact or in appearance, so that they are never permissible, and no one can approve these. Employees may never:

- Give any gift or offer entertainment that would be illegal or result in any violation of law (e.g. gifts and entertainment for a government official or employee of a state owned enterprise; incentives to representatives or distributors linked by family or other business interests to government or state-owned enterprise employees).
- Accept, request or offer any gift of cash or cash equivalent such as gift cards or certificates, bank checks, money orders, investment securities, loans, stock or stock options.
- Accept, request or offer anything as a “quid pro quo,” or as part of an agreement to make a recommendation or business decision in return for the gift or entertainment.
- Participate in or finance any entertainment that is unsavory, sexually oriented, and indecent or otherwise violates our commitment to mutual respect.
- Participate in any activity that you know would cause the person giving the gift or entertainment to violate his or her own employer’s standards.
- Provide gifts or entertainment to parties that are engaged in a competitive bid process (e.g. entertaining a contractor conducting a tender for a customer immediately prior to or during a tender process).
- Provide gift or entertainment personally to avoid having to seek approval or report the matter.

Q. A vendor offered me four tickets to a ball game. The vendor will not be attending the game with me. Each ticket has a face value of \$45. Is it OK to accept these?

A. No. This is a gift that exceeds the dollar amount limit set forth in the Code. The limit applies to the total gift, which is in this case would be \$180.

Always ask:

For anything that does not fit into the other categories, it may or may not be permissible to proceed, but you will need to get approval from the Corporate Office of Ethics and Compliance.

Examples in this category include the following:

- Any gift or entertainment offered to or solicited by employees of governments or state owned enterprises (an opinion from the Law Department will always be required to determine whether or not the item or event would violate anticorruption laws);
- Gifts and entertainment valued at over US \$150; excluding sales tax, VAT, and customary tips.
- Special events, such as a major sporting event (these usually have a value of more than US \$150);
- Complimentary travel or overnight accommodations whether or not in connection with another legitimate business purpose.

In determining whether to approve something in the “Always Ask” category, the members of the Ethics and Compliance organization will use reasonable judgment and consider such issues as:

- Whether the gift or entertainment would be likely to influence your or your customers’ objectivity;
- Whether there is a business purpose (for example, will business discussions be the primary focus of the event in question?);
- The precedent it would set for other employees;
- The appearance it would have to other employees or people outside the company;
- Our likely reaction in the event a competitor engaged in a similar practice.

CAUTION:

Never offer or provide any gift, entertainment or other item of value to a government official or employee of a government owned enterprise. If you find yourself in a situation that involves a solicitation of a gift or entertainment from or to a government official or employee, or an employee of a state owned enterprise, contact the Law Department immediately. Every country and agency may be different.

Some locations outside the United States may allow practices that the U.S. law will not. We will abide by the strictest standard.

Representatives and distributors:

The law in many countries requires a principal to monitor the activities of its representatives and distributors. If you have reason to believe that your representative or distributor is engaging in conduct that would violate the Code, particularly the gift and entertainment provisions, please report the conduct to the Corporate Office of Ethics and Compliance immediately.

Waivers:

Certain standards within the Code may be waived depending upon the circumstances, such as local customs or laws. A waiver may be granted only by the Senior Vice President and General Counsel. If you find yourself in a position where you have received, need to give or are required to provide a gift or entertainment that may be above the dollar limits set forth in the Code, contact the Corporate Office of Ethics and Compliance by email at: ethicscompliance@dresser.com.

Questions:

If you have questions or concerns about gifts and entertainment, contact the Corporate Office of Ethics and Compliance or your Business Segment Compliance Manager. Be aware that your business segment may have additional requirements concerning gifts and entertainment. Make sure you know them.

Confidential and Proprietary Information

Information is one of Dresser's most valuable resources. You have a responsibility to protect all Dresser information that is of a confidential or proprietary nature. Confidential information can include marketing plans, product specifications, customer lists, pricing guides, product enhancements, financial information and the like. This applies both during and after employment.

Likewise, we respect other companies' confidential information. Employees who have confidential information entrusted to them by the Company's business partners and suppliers must not disclose that information outside of Dresser, and must restrict its use within Dresser only to those individuals with a need to know. Employees are never allowed to share or use confidential information of a former employer while at Dresser.

From time to time, we hire former employees of our competitors.

Q. If I find some confidential documents in a copier or in a conference room, what should I do?

A. Though it may be tempting, do not read the documents. If you cannot locate the owner, turn the documents over to your supervisor. Do not leave the documents in the copier room or in the conference room and do not throw them away.

It is important to understand that we cannot and will not ask these new employees for confidential information relating to their prior employment. If a competitor's former employee offers information you think may be confidential, you must refuse the information and report the incident.

Computer technology – hardware, software, networks and the information that runs on them – is critical to our business success. Everyone who uses a computer must help ensure that these resources function properly. This means all employees must only use company computers responsibly and for legitimate Dresser business purposes. Although personal use is permitted, it should be reasonable and kept to a minimum to protect the security of our computer systems.

Good judgment should guide your use of computers, but these rules can help:

Never:

- Engage in electronic communications that might be considered offensive, derogatory, defamatory, harassing, obscene or otherwise vulgar;
- Use Company electronic communications systems to improperly disseminate copyrighted or licensed materials, or proprietary information;
- Use Company electronic communications systems to transmit chain letters, advertisements or solicitations (unless authorized) or inappropriate or offensive materials including materials of a sexually explicit nature;
- Visit inappropriate Internet sites; and/or
- Install or download software to company computers without obtaining permission from the Information Technology Department.

Always:

Protect information used to access Company networks, including user IDs and passwords, entry codes and building-access key cards.

REMEMBER:

Your electronic communications at work are not private. Records of your electronic communications on Company assets or personal assets linked to Company networks may be made and used for a variety of reasons. Your electronic communications may be monitored to verify that Company policies on computer use are being followed. They may also be accessed in connection with Company investigations and for other purposes. Keep this in mind and exercise care when you use electronic mail.

Insider Information and Trading

Insider information refers to material information that, if it became public, could impact the price of a company's securities on the public market. Any employee with knowledge of material information, prior to its public release (such as earnings results, executive changes, potential merger activity, new discoveries, etc.) may not use that information to gain an advantage in buying or selling securities ahead of the public. Sharing this information with someone outside the Company, prior to public release, is also prohibited by law. Although Dresser is not currently a publicly traded company, many of our customers, suppliers and competitors are, so please exercise caution in this regard.

Accurate Records

Dresser's books and records must be recorded accurately and fairly to reflect its transactions and disposition of assets. Dresser has established and maintains a comprehensive system of internal controls designed to:

- Provide reasonable assurance that Company assets are protected against loss and unauthorized use;
- Ensure that transactions are executed in accordance with management's authorization;
- Ensure that accounting records provide reliable and accurate information in accordance with generally accepted accounting principles and other applicable laws and regulations.

Dresser is often required to disclose to the public, its lenders or other third parties material information relating to its business affairs and financial condition. Accurate records ensure that all required disclosures will be full, fair, timely, understandable and accurate.

Expense accounts are another important record that must be completed accurately and honestly. You are entitled to receive reimbursement for reasonable expenses you incur. However, submitting an expense report without proper attention to its accuracy or with intent to mislead or misinform those who review it is prohibited. An example of dishonest reporting is submitting an expense account for meals not eaten, miles not driven or airline tickets not used. Receiving reimbursement for expenses for which you are not entitled is also a misappropriation of Dresser assets.

Media Communications

Employees must maintain as confidential all non-public information of Dresser and to refer all requests for news and information to the Corporate Development office. Only designated Dresser representatives are authorized to make public any news and information about Dresser.

Document Retention

Employees must follow Company policy regarding the retention, disposal or destruction of any Company records or files (both as to written documents and electronic records on computers, servers and other media). When litigation or an investigation is pending, relevant records and documents must not be destroyed.

Destruction of a document to prevent its disclosure in a legal proceeding or investigation may be unlawful, and could lead to criminal prosecution.

If you have any questions concerning document retention, you should consult with the Law Department.

Political Contributions

Dresser encourages its directors, officers and employees to take an active interest in fostering principles of good government in the communities in which they live – utilizing their personal time and resources. It is against Company policy and the law in many countries, including the United States, for Dresser to participate in the political process by contributing funds or resources to campaigns.

No employee or agent may apply any type of pressure on any other employee to make or refrain from making personal political contributions.

5. LAWS OF SPECIAL RELEVANCE TO SPECIFIC TYPES OF WORK

It is the responsibility of each employee to learn about the laws that apply to his or her job within Dresser; it is Dresser's responsibility to provide education relating to those laws. If you are not sure whether a particular law applies to your business responsibilities, ask. If you are not given the education to equip you to comply with those laws, inform your Business Segment Compliance Manager or the Corporate Office of Ethics and Compliance.

An illustrative list of U.S. laws that are relevant to many of Dresser's activities across the world follows.

Sales, Marketing and Pricing

If your work at Dresser involves sales, marketing, pricing and dealing with competitive issues, you must understand antitrust and competition laws, which generally prohibit collusive or unfair business behavior that restricts free competition. For example, we are not permitted to enter into agreements with competitors to fix prices, terms of sale, production output or distribution. (Nor can we restrict the freedom of our customers to compete.)

Q. The different laws are so complicated and cover so many different areas, how can I be sure that I won't violate some little technicality?

A. Don't abandon your own judgment. If something seems intuitively wrong to you, ask before acting. You also have an obligation to understand all aspects of the rules governing your job, even technicalities. Dresser is responsible for supplying you with the education to understand those laws. If you are still unclear on these issues, ask your Business Segment Compliance Manager, the Corporate Office of Ethics and Compliance or the Law Department.

Legal issues can also arise from refusal to deal with customers. For any international dealings, you must also understand similar laws and regulations that may be appropriate.

International Activities

You must understand the U.S. and other national laws and regulations governing export and import activities.

The U.S. has strict export control laws that prohibit the export and re-export (i.e., exports of U.S. origin goods, software or technology from a Company affiliate located in a country outside of the U.S.) to certain “sanctioned countries” without proper government approvals. The U.S. Treasury Department’s OFAC office, as well as the U.S. Commerce Department’s BIS office,

regulates these sanctioned-country transactions. For non-sanctioned countries, U.S. export laws and regulations may also require government approvals on exports and re-exports of certain goods, software and technology to certain restricted parties. Local country

Q. During a trade association meeting a few weeks ago, I chatted with representatives of some of our competitors. They began to discuss how profit margins have been slipping in the past few years. Everyone was agreeing and shaking their heads. Now those companies are raising their prices. Did I do something wrong, not even knowing it?

A. These types of discussions can definitely be a problem. A court might conclude that everyone present during the conversation, whether they said anything or not, were engaged in a price fixing scheme. If you ever find yourself present during a discussion of prices with competitors, immediately leave the area in a way that makes it clear you consider this type of discussion improper behavior. You should then contact your Business Segment Compliance Manager and notify the Law Department promptly for further guidance.

export regulations may also apply in addition to U.S. regulations if a Company affiliate is located outside the U.S.

Import regulations deal with the assessment and collection of duties, fees and taxes, declarations and statistics, as well as the determination as to whether goods are subject to quotas, restraints, embargoes and other restrictions. These regulations also address the movement of goods and people across borders, including security concerns throughout the entire supply chain.

Generally, an importer must accurately classify and value all items it brings into a country.

The U.S. Foreign Corrupt Policies Act (FCPA) prohibits payments or offers of value to government officials, parties or candidates in order to influence their acts or decisions as they relate to business opportunities. Some countries boycott, or refuse to deal with, other countries based upon political or religious disputes. U.S. antiboycott regulations prohibit Dresser from participating in boycotts against countries friendly to the U.S.

Q. Government officials have hinted that things would go more smoothly if I gave them an extra payment. Can I?

A. Probably not. In most countries this practice is not allowed. All payments must be directly related to products and services outlined in contracts or cost schedules, and must be made to the government, not to individuals. In some other countries, however, small payments for routine government actions, often called "facilitation payments," are sometimes allowed under local law and may be permissible. Always consult with the Law Department prior to taking any action.

Selling to the U.S. Government

You must understand federal procurement regulations, governmental cost principles and other federal regulations. This area of law is extremely complex and not always intuitive. Request help from the Law Department to ensure the transaction runs smoothly.

Manufacturing

You need to understand the laws regarding environmental protection and employee health and safety.

Purchasing and Logistics

You must understand bribery laws and, if international transactions are involved, you must also understand those regulations relating to international activities.

Finance and Tax

You must understand laws and regulations enforced by the U.S. Securities and Exchange Commission, Internal Revenue Service and the Department of Labor with regard to legally mandated disclosure and filing requirements.

Human Resources

You must understand Equal Employment Opportunity Commission and Labor Department regulations.



Dresser, Inc. Integrity Line

In the U.S. or Canada:

Call 1-888-898-DSSR
(1-888-898-3777)

For calls outside the U.S. and Canada, you must first dial the AT&T access code of the country you are calling from. (Access codes listed on back side).



Code of Conduct
January 1, 2008

About Dresser, Inc.

Dresser, Inc. is a leader in providing highly engineered infrastructure products for the global energy industry. The company has leading positions in a broad portfolio of products including valves, actuators, meters, switches, regulators, piping products, natural gas-fueled engines, retail fuel dispensers and associated retail point of sale systems and air and gas handling equipment.

Leading brand names within the Dresser portfolio include Dresser Wayne(r) retail fueling systems, Waukesha(r) natural gas-fired engines, Masoneilan(r) control valves, Mooney(r) regulators, Consolidated(r) pressure relief valves, and Roots(r) blowers and rotary gas meters. It has manufacturing and customer service facilities located strategically worldwide and a sales presence in more than 100 countries. The company's website can be accessed at www.dresser.com.





Acknowledgement Form

Please read, sign and return to your local Human Resources office.

I acknowledge that I have personally received and read a copy of Dresser's Code of Conduct. If I have questions concerning the Code or require additional training, I will contact my supervisor, Business Segment Compliance Manager or the Corporate Compliance office. I understand that I have an obligation to report any known or suspected violations of this Code or the law.

Name (Please Print)

Location – Business Segment

Employee Number

Signature

Date