

# Code of Conduct

## LETTER FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Dear Colleague:

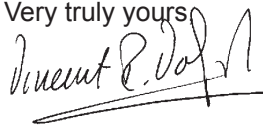
Dresser-Rand's Code of Conduct (the "Code") is about the combined values and standards of behavior that make Dresser-Rand a trusted and respected organization. We are involved in a competitive industry, and our clients, suppliers, communities and shareholders are expecting and demanding more of us. These demands have an impact on all of us, no matter where we are in the organization. We are all challenged to find creative and innovative ways to get the job done. We applaud your efforts, and take this opportunity to thank you for the contributions you have made to Dresser-Rand's success.

It is each employee's responsibility to exercise sound business judgment and act honestly and ethically. We are required not only to "do the job" but to "do it the right way." Doing it the right way means conducting ourselves with ethics and integrity in all that we do.

As your employer, Dresser-Rand's obligation goes beyond simply stating that you should always conduct yourself professionally and ethically at work. With this Code, we are formalizing the values that have made us the company we are today and which will carry us forward into the future. This Code describes the fundamental ethics policies that govern all of the work we do, and sets forth the duties and obligations for all our employees under those policies.

Please take time to read this Code, and continue in the Dresser-Rand tradition of hard work with integrity.

Very truly yours,



Vincent R. Volpe Jr.  
President & Chief Executive Officer

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## Key Points

- The Code is a guide to legal and ethical standards for all employees.
- All employees must read and comply with the Code.
- Company leaders have a special obligation to comply with the Code.

## INTRODUCTION

This Code of Conduct (the “Code”) describes the basic principles of conduct that we share as officers and employees of Dresser-Rand and provides guidance on how to identify and report concerns regarding possible violations of the Code or illegal behavior.

### • Who Must Follow the Code

All officers and employees of Dresser-Rand (the “Company”) are required to comply with this Code. This Code also applies to our directors and should be followed by our agents and representatives, including consultants.

### • Your Responsibilities

This Code is intended to provide a broad overview of basic ethical principles that guide our conduct. In some circumstances, we maintain more specific policies on the topics referred to in this Code. You should read and learn the details of the policies dealing with your work, and have a basic understanding of issues covered by the other policies relating to this Code.

### • Leadership Responsibilities

Leaders in our Company have a special obligation regarding compliance with the Code, and are responsible for:

#### • Building and maintaining a culture of compliance by:

- Leading by example, using their own behavior as a model for all employees
- Personally leading compliance efforts through periodic meetings with direct reports and regular monitoring of compliance matters and programs

- Making sure employees understand that business results are never more important than compliance
- Encouraging employees to raise their integrity questions and concerns
- Using employee actions and judgments in promoting and complying with Company policies as considerations when evaluating and rewarding employees

#### • Preventing compliance problems by:

- Ensuring that compliance risks associated with the business processes under the leader’s management are systematically identified
- Ensuring that policies and procedures, tailored to the particular risk areas faced by a business, are developed and communicated
- Identifying for each Company policy those employees and third parties who represent the Company whose activities may involve issues covered by that policy
- Making education and legal counseling available to ensure that employees and, where appropriate, third parties understand the requirements of Company policies and applicable law

#### • Detecting compliance problems by:

- Implementing appropriate control measures in business processes to detect heightened compliance risks

## Key Points

Leaders should:

- Build and maintain a culture of compliance
- Prevent compliance problems
- Detect compliance problems
- Respond to compliance problems.

and/or violations

- Promoting an effective reporting system that permits employees to raise concerns without fear of retaliation
- Ensuring that periodic compliance reviews are conducted, with the assistance of the Company's auditors and legal counsel, to assess the effectiveness of the business' compliance measures and to identify ways of improving them

• **Responding to compliance problems by:**

- Taking prompt corrective action to fix any identified weaknesses in compliance measures
- Taking appropriate disciplinary action when violations of this Code occur
- Consulting with Company legal counsel and making appropriate disclosures to regulators and law enforcement authorities.

## BASIC PRINCIPLES OF CONDUCT

• **Compliance with Laws, Rules and Regulations**

The Company conducts business in numerous countries around the world. We comply with all laws, rules, and regulations of the places where we do business. If a law, rule, or regulation is unclear, or you think it conflicts with a provision of this Code, you should always seek the advice of your supervisor or the Company's General Counsel.

• **Conflicts of Interest**

We conduct our business affairs in the best interests of our Company and should avoid situations where our private interests interfere in any way with our Company's interests. We need to be especially sensitive to situations that have even the appearance of impropriety. Conflicts of interest can arise when an employee, officer or director takes an action or has an interest that may make it difficult for the employee, officer or director to render objective decisions on behalf of the Company or to perform his or her duties effectively. Conflicts of interest also arise when an employee, officer, or director, or a member of his or her family, receives improper personal benefits (including loans, guarantees of obligations or acquisitions of interests in transactions involving the Company or its clients or suppliers) as a result of his or her position with the Company. If you believe that a transaction, relationship or other circumstance creates or may create a conflict of interest, you should promptly report this concern. It is our policy that circumstances that pose a conflict of interest for our employees are prohibited unless a waiver is obtained from an appropriate Company officer. Consistent with New York Stock Exchange (NYSE) rules, and as further described below, any waiver of this conflict of interest

### Key Points

What constitutes a conflict of interest:

- Competing against the Company
- Misuse of Company resources
- Any influences that cause you to act against the best interests of the Company.

policy for a director or executive officer may only be made by our Board, and any such waiver should be appropriately disclosed in a report filed with the Securities and Exchange Commission (SEC) within five days of the waiver. An example of a conflict of interest is conduct which:

- Results in your competing against the Company in any business activity
- Causes you to misuse Company resources
- Influences you to take action not in the best interests of the Company that you otherwise would have avoided.

Regardless of whether a conflict of interest is involved, no officer or employee shall enter into any transaction with the Company without previously disclosing such officer or employee's interest in that transaction with the officer or employee's supervisor. Any Section 16 officer of the Company shall also provide previous disclosure to the Nominating and Governance Committee of any such interest. These disclosures shall not apply to (a) compensation or other benefits provided by the Company, (b) benefits pursuant to the Company's standard relocation policy, or (c) the reimbursements of travel and entertainment expenses in accordance with Company policy.

#### • **Record-keeping**

We require honest and accurate recording and reporting of information in order to make responsible business decisions. We document and record our business expenses accurately.

All of our books, records, accounts, and financial statements are maintained in reasonable detail, appropriately reflect our transactions, and conform both to applicable legal requirements and to our system of internal controls. It is strictly forbidden to use, authorize or condone any "off book" accounting or unrecorded bank accounts

#### **Key Points**

- The company relies on accurate and honest record keeping.
- Illegal or improper accounting is strictly forbidden.
- Business records and communications are to be kept professional at all times.

or any other device that could be utilized to distort the Company's true operating results and financial condition.

We avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies in our business records and communications. We maintain our records according to our record retention policies.

#### • **Public Reporting**

We are required to file reports and other documents with the SEC. As well, we issue press releases and make other public statements that include financial and other information about our business, financial condition and results of operations. We endeavor to make full, fair, accurate, timely and understandable disclosure in reports and documents we file with, or submit to, the SEC and in our press releases and public communications.

We require cooperation and open communication with our internal and external auditors. It is illegal to take any action to fraudulently influence, coerce, manipulate, or mislead any internal or external auditor engaged in the performance of an audit of our financial statements.

The laws and regulations applicable to filings made with the SEC, including those applicable to accounting matters are complex. While the ultimate responsibility for the information included in these reports rests with senior management, numerous other employees participate in the preparation of these reports or provide information included in these reports. We maintain disclosure controls and procedures to ensure that the information included in the reports that we file or submit to the SEC is collected and communicated to senior management in order to permit timely disclosure of the required information.

If you are requested by management

#### **Key Points**

- The company endeavors to fulfill SEC obligations in an accurate and timely manner.
- Illegal influence of an auditor engaged in business with the company is strictly forbidden.
- Contributions to SEC reports must be completed in an accurate and timely manner.

to provide, review or certify information in connection with our disclosure controls and procedures, you must provide the requested information or otherwise respond in a full, accurate and timely manner. Moreover, even in the absence of a specific request, you should report to senior management any significant information that you believe should be considered for disclosure in our reports to the SEC.

**• Insider Trading**

We neither trade in Company stock on the basis of material, non-public information concerning the Company, nor “tip” others who may trade in Company securities. The Company has a securities trading policy which can be obtained from the D-R Net or by a written request to the Chief Administrative Officer of the Company.

**• Corporate Opportunities**

We do not personally take advantage of opportunities that are discovered through the use of Company property, information or position without the prior consent of our Board or use Company property, information, or position for personal gain. Employees, officers, and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Our directors, officers, and employees are also prohibited from competing with the Company.

**• Competition and Fair Dealing**

We outperform our competition fairly and honestly by developing leading services and products based on design and performance. We do not engage in unethical or illegal business practices such as stealing proprietary information, misrepresenting important facts, possessing trade secret information that was obtained without the owner’s consent, or inducing disclosure of this type of information by past or present employees of other companies. Each employee, officer, and director shall

**Key Points**

We do not:

- Trade in company stock based on non-public information
- Covertly accept opportunities gained through the use of company property
- Engage in unethical business maneuvers.

endeavor to deal fairly with the Company’s clients, suppliers, competitors and employees. No employee, officer, or director will take unfair advantage of anyone through manipulation, concealment, abuse of privileged information or any other unfair practice.

**• Business Entertainment and Gifts**

We recognize that business entertainment and gifts are meant to create goodwill and sound working relationships, not to gain unfair advantage with clients or suppliers. Neither we nor our family members offer, give, or accept any gift or entertainment unless it:

- Is not a cash gift
- Is consistent with customary business practices
- Is not excessive in value
- Cannot be construed as a bribe or payoff
- Does not violate any laws or regulations.

**• Discrimination and Harassment**

The diversity of our employees is a tremendous asset. We provide equal opportunity in all aspects of employment and will not tolerate discrimination or harassment of any kind. Derogatory comments based on racial or ethnic characteristics, unwelcome sexual advances and similar behavior are prohibited.

**• Health and Safety**

We strive to provide a safe and healthful work environment and act with care and respect for the environment and the people who live in the communities where we conduct business. We ensure a safe and healthy work environment by following safety and health rules and practices and promptly reporting accidents, injuries and unsafe equipment, practices, or conditions to a supervisor or more senior manager.

We do not permit violence or threatening behavior in our workplaces. We report to work in condition to perform our duties at our best, free from the influence of illegal

**Key Points**

- Gifts given and received must meet certain criteria to avoid being misconstrued.
- If you are unsure of the entertainment and gift policy, check with a supervisor.

**Key Points**

- Discrimination and/or harassment of any kind will not be tolerated by the company.

**Key Points**

The Company and its employees must maintain the strictest confidentiality in respect to:

- Past and present undisclosed company information
- Past and present employees
- Past and present clients
- Past and present suppliers.

drugs or alcohol. We do not tolerate the use of illegal drugs in the workplace.

• **Confidentiality**

We protect confidential information. Confidential information includes proprietary information such as our trade secrets, know-how, business and marketing plans, sales forecasts, engineering and manufacturing ideas, designs, innovations, databases, records, salary information, and unpublished financial data and reports, as well as any non-public information that might be of use to competitors or harmful to us or our clients if disclosed. It also includes information that suppliers and clients have entrusted to us on a confidential basis. Employees, officers, and directors must maintain the confidentiality of information entrusted to them by the Company or its clients, except when disclosure is authorized or legally mandated. Our personal obligation not to disclose confidential information continues even after employment ends.

• **Privacy**

We respect the privacy of all officers, directors and employees. We are required to handle private information responsibly by maintaining the confidentiality of personal information about officers, directors and employees. Access to such information is limited to managers and others with a specific need for the information in the performance of their duties.

• **Protection and Proper Use of Company Assets**

Theft, carelessness, and waste of Company assets have a direct impact on our profitability and should be avoided. All Company assets shall be used for legitimate business purposes. Any suspected incident of fraud or theft should be immediately reported to a supervisor or, if appropriate, a more

senior manager for investigation. We carefully safeguard our confidential information. Unauthorized use or distribution of confidential information is prohibited and could also be illegal, resulting in civil or even criminal penalties.

• **Payments to Government Personnel**

In compliance with the United States Foreign Corrupt Practices Act, Dresser-Rand employees do not give anything of value, directly or indirectly, to officials of non-U.S. governments or non-U.S. political candidates in order to obtain or retain business. We do not promise, offer, or deliver to any non-U.S. or U.S. government employee or official any gift, favor, or other gratuity that would be illegal. Our General Counsel can provide guidance in this area.

The laws or customs of the countries in which we operate may not always be clear. However, it is our responsibility and policy to comply with those laws or customs. Our General Counsel can provide guidance in this area.

• **Waivers**

Consistent with NYSE rules, only our Board may waive a provision of this Code for our executive officers or directors, and any waiver should be appropriately disclosed in a report filed with the SEC within five days after the waiver. Waivers of this Code for any other employee may be made only by an appropriate Company officer, and then only under special circumstances.

• **Reports of Illegal or Unethical Behavior**

In order to encourage reports of illegal or unethical behavior (including violations of this Code), we keep all reports confidential and do not allow retaliation for good faith reports of possible misconduct by others. It is also our duty to cooperate in internal investigations of alleged misconduct.

**Key Points**

- In accordance with law, we do not barter gifts with government officials in order to obtain business.
- The company complies with foreign laws and customs in regards to government personnel.

**Key Points**

- All reports of illegal or unethical behavior are kept confidential.

## RAISING QUESTIONS OR REPORTING CONCERNS

We must all work to ensure prompt and consistent action against unethical or illegal behavior. This responsibility includes an obligation to report a concern about a possible violation of this Code. Oftentimes a violation of this Code will be easy to recognize and should be promptly reported to a supervisor or, if appropriate, a more senior manager. However, in some situations it is difficult to know right from wrong. Because none of us can anticipate every situation that will arise, it is important that we have a way to approach a new or sensitive question or concern. Here are some questions that can be asked:

### Key Points

Questions to ask:

- Is this activity unethical?
- What is my responsibility?
- Is my supervisor aware of the situation?
- Who can I look to besides my manager?

1. **What specifically am I being asked to do? Does it seem unethical or improper?** This will focus the inquiry on the specific action in question, and the available alternatives. Use judgment and common sense. If something seems unethical or improper, it probably is.
2. **What is my responsibility?** In most situations, there is shared responsibility. Should colleagues be informed? It may help to get others involved and discuss the issue.
3. **Have I discussed the issue with a supervisor?** This is the basic guidance for all situations. In many cases, a supervisor will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Remember that it is the supervisor's responsibility to help solve problems.
4. **Should I seek help from Company management?** When it may not be appropriate to discuss an issue with a supervisor, or where you would not be comfortable approaching a supervisor with your question, discuss it with your Human Resources manager in your

business unit, or the next level of management for your business unit or function. If for some reason you do not believe that your concern has been appropriately addressed, you should report the concern by using the Company's toll-free **Ethics Hotline**. This **Ethics Hotline** permits confidential, anonymous submissions of concerns regarding alleged violations of this Code, including concerns with respect to questionable accounting or auditing matters:

U.S. & ENGLISH SPEAKING COUNTRIES:  
1-800-721-0952

### INTERNATIONAL

BRAZIL	0800-891-4138
CHINA	10-800-110-0550 or 10-800-711-0570
FRANCE	0800-90-0023
GERMANY	0800-180-7060
INDONESIA	001-803-1-005-6194
INDIA	800-721-0893
NIGERIA	704-676-4827
VENEZUELA/MEXICO	800-451-5107

There are a number of other ways to get answers to your questions about the Code or to report concerns about what might be a violation of the Code:

- If a law, rule or regulation is unclear in any country, or you think it conflicts with a provision of this Code, or a policy relating to this Code, you should seek advice from our General Counsel
- If you have questions about a governmental investigation or litigation, please contact our General Counsel
- If you have a question about any aspect of our Code or policies, please contact your supervisor or the appropriate

### Key Points

Get your questions answered:

- Seek advice from our General Counsel
- Consult the Director of the internal audit department.

functional leader. For instance, questions about policies on financial issues should be directed to the Corporate Controller, questions about policies regarding employee matters should be directed to the Chief Administrative Officer, questions about policies on legal issues should be directed to the General Counsel

- If you discover a potential violation of this Code, you should contact the Ethics Hotline through the 800 number or the DRNet, or report the potential violation to the director of our internal audit department or another member of the internal audit department.

### Key Points

Compliance reports result in:

- Assignment of a review team
- Potential investigation
- Appropriate corrective actions.

### • What Happens When a Compliance Concern is Reported

All reported concerns regarding possible violations of this Code or illegal behavior are taken seriously. When such a concern is reported, the following actions will be taken:

1. A review team will be assigned
2. If the team decides further review is required, an investigation will be conducted
3. Appropriate corrective actions will be identified and implemented
4. If necessary, improvements in business practices or processes will be implemented.

Remember, the whole idea is to speak up. Ask questions. Get answers. Bring the concern into the open so that any problems can be resolved quickly and more serious harm can be prevented.

**REMEMBER, EARLY IDENTIFICATION IS CRITICAL.**

## CONSEQUENCES FOR VIOLATIONS

Any violation of this Code can result in disciplinary action, including termination of employment. Examples of conduct that will be considered a violation of this Code include the following:

- Violations of a policy relating to this Code
- Requesting another person to violate this Code
- Failure to report a known or suspected violation of this Code
- Failure to cooperate in an investigation of a possible violation of this Code
- Retaliation against another person for reporting a concern about a violation of this Code
- Failure to use reasonable care to prevent a violation of this Code
- For managers and supervisors, failure to demonstrate the leadership necessary to ensure compliance with this Code.

Violation of this code may also be a violation of a criminal or civil law which could result in you or the Company being subject to other penalties, including possible fines, jail or other sanctions.

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## ACKNOWLEDGEMENT

An acknowledgement of receipt and compliance with this Code will be distributed periodically to all appropriate officers, directors, associates and agents who will be required to certify and confirm continued compliance with this Code and any related policies. The Company will monitor compliance. Compliance with this Code cannot and does not guarantee your continued employment, nor will your employment status as an officer, director or an at-will employee under applicable law be altered by this or any other Company documents.

### Key Points

- Avoid disciplinary action by adhering to the Code.
- Disciplinary action could extend beyond the company into civil or criminal litigation.

### Key Points

- Included in this Code of Conduct manual is an example of the acknowledgement all employees are required to complete periodically.
- Updates to the Code can be found on the DRNet and by contacting the Chief Administration Officer.
- Upholding the Code is essential to maintaining strong relationships with employees, communities, and clients.

## RELATED POLICIES

The Company may from time to time implement new policies related to this Code, as well as revise existing policies related to this Code. These policies cover topics such as employee relations, relating with competitors and clients and Company property. All such policies can be obtained from the DRNet or by a written request made to the Chief Administrative Officer of the Company.

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## CONCLUSION

The Company's good name and reputation, the safety of our employees, and our relationships with clients, suppliers and the members of the communities where we do business depend, to a very large extent, upon you taking personal responsibility for maintaining and adhering to the policies and guidelines set forth in this Code. Your business conduct on behalf of the Company must be guided by the policies and guidelines set forth in this Code.

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## AVAILABILITY OF THIS CODE

This Code will be posted on the Company's website and will also be made available upon written request sent to the Company's Chief Administrative Officer.

## DRESSER-RAND

### ACKNOWLEDGEMENT OF RECEIPT AND COMPLIANCE WITH THE CODE OF CONDUCT

I have received, read, understand and agree to the terms and conditions set forth in the Dresser-Rand Code of Conduct.

In addition, to the best of my knowledge, information and belief, I affirm that I have not engaged in any actions that could be considered as violating the Code of Conduct and I am not aware of anyone who reports to me who has (either now or at any time during the past year), and I do not have knowledge of any other person who has engaged in any such conduct, except as indicated below. (Write "NONE" if appropriate.)

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Furthermore, I affirm that I will promptly report any violations of this Code in the future.

I understand that strict adherence to these policies and guidelines is required and that violation is grounds for disciplinary action, including employment termination.

I further understand that these policies and guidelines in no way affect the applicability of other Dresser-Rand policies appearing in manuals, bulletins, handbooks, application for employment forms, etc.

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Signature

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Date

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Print Name

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Location



