

## **ANTI-HEDGING POLICY**

Emerson corporate, division and subsidiary officers and members of its Board of Directors are prohibited from engaging in any of the following transactions in Emerson securities:

- short selling – selling borrowed securities that the seller anticipates can be replaced with securities purchased at a lower price in the future
- short selling against the box—selling securities but not delivering them in a timely fashion
- put or call options of all types, including zero-cost collars—acquiring rights to sell and/or purchase securities within a certain time period at specified prices
- forward sale (or purchase) contracts—agreements to sell (or purchase) securities at a fixed price on a later date, thus avoiding (or assuming) the risks or rewards of ownership
- equity swaps—financial derivative contracts where a set of future cash flows are to be exchanged between two counterparties at a set future date
- exchange funds—a mechanism allowing holders of a single stock to diversify into a group of other stocks without directly selling their stock

Note that certain forms of short sales by executive officers and Directors are also currently illegal under the Securities Exchange Act of 1934. Officers or Directors with questions on whether a particular transaction is illegal or prohibited should contact the Emerson Law Department.