

Related Party Transactions

Effective Date:
3-7-2014

Supersedes:

Approved by:
Board of Directors

Objective

As set forth in Item 404(a) of SEC Regulation S-K, related party transactions can present potential conflicts of interest and may create the appearance that a business decision was based on considerations that were not in the best interests of MSA Safety Incorporated (the "Company") and its stockholders. Accordingly, related party transactions generally should be avoided. There may be situations, however, where related party transactions may be in, or not inconsistent with, the best interests of the Company and its stockholders. The Company has adopted the procedures set forth below for the review, approval or ratification of related party transactions.

Definitions

"Related Party" is any: (a) person who is or at any time since the beginning of the Company's last fiscal year was an executive officer, director or nominee for election as a director; (b) beneficial owner of more than 5% of any class of the Company's voting securities; or, (c) immediate family member of any of the foregoing. Immediate family member includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers-and fathers-in-law, sons- and daughters-in-law, and brothers and sisters-in-law and anyone residing in such person's home other than a tenant or employee.

"Transaction" is any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships, in which the Company was or is to be a participant and the amount involved exceeds \$ 120,000, and in which any related person had or will have a direct or indirect material interest. A person who has a position or relationship with a firm, corporation or other entity that engages in a transaction with the registrant shall not be deemed to have an indirect material interest in such Transaction where:

- a. the interest arises only: (1) from such person's position as a director of another corporation or other entity that is a party to the transaction; or (2) from the direct or indirect ownership by such person and all other persons who are Related Parties, of less than a ten percent equity interest in such firm, company or other entity (other than a partnership) which is a party to the transaction; or (3) from both such position and ownership; or

- b. The interest arises only from such person's position as a limited partner in a partnership in which the person and all other persons who are Related Parties have an interest of less than ten percent, and the person is not a general partner of and does not hold another position in the partnership.

Policy

The Nominating and Corporate Governance Committee (the "Committee") of the Company's Board of Directors shall consider the material facts of all Transactions that require the Committee's review, subject to the exceptions described below. In determining whether to approve or ratify a Transaction, the Committee will take into account the following: (i) the nature of the Related Party's interest in the Transaction; (ii) the material terms of the Transaction, including the amount and type of transaction; (iii) the importance of the Transaction to the Related Party; (iv) the importance of the Transaction to the Company; (v) whether the terms of the Transaction are comparable to those of similar transactions not involving related parties; and (vi) whether the Transaction would impair the judgment of a director or executive officer to act in the best interest of the Company. No director shall participate in any discussion or approval of a Transaction for which he or she is a Related Party, except that the director shall provide all material information concerning the Transaction to the Committee.

Approval Process

1. Prior to entering into the Transaction the Related Party, or any officer or employee of the Company who is aware of the proposed transaction and the Related Party's status, shall provide notice to the General Counsel and Chief Financial Officer of the facts and circumstances of the proposed Transaction as outlined above.
2. If the General Counsel or Chief Financial Officer determines that the proposed transaction is a Related Party Transaction, the proposed Transaction shall be submitted to the Committee for consideration at the next scheduled Committee meeting or, in those instances in which it is not practicable or desirable for the Company to wait until the next scheduled Committee meeting, at a special meeting called for this purpose.
3. The Committee shall consider all of the relevant facts and circumstances and shall approve or ratify only those Related Party Transactions that are in, or are not inconsistent with, the best interest of the Company, as the Committee determines in good faith. No member of the Committee shall participate in any review, consideration or approval of any Related Party Transaction with respect to which such member or any of his or her immediate family members is the Related Party. The Committee shall convey the decision to the General Counsel or Chief Financial Officer, who shall convey the decision to the appropriate Parties within the Company.
4. The Chair of the Committee shall report to the Board at the next meeting any approval or ratification under this policy.

Pre-Approved Transactions

The Committee has reviewed the Transactions described below and determined that each of the following Transactions shall be deemed to be pre-approved by the Committee.

1. Employment of officers. Any employment by the Company of an officer of the Company if (a) the related compensation is required to be reported in the Company's proxy statement under Item 402 of the Securities and Exchange Commission's ("SEC's") compensation disclosure requirements, or (b) the officer is not an immediate family member of another officer or director, and the related compensation would be required to be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements if the executive officer was a "named executive officer", and the Company's Compensation Committee approved (or recommended that the Board approve) such compensation.
2. Director compensation. Any compensation paid to a director if the compensation is required to be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements.
3. Certain transactions with other companies or other entities. Any transaction with another entity at which a Related Party's only relationship is as a non-officer employee or director or beneficial owner of less than 10% of that entity's shares or other equity interests, if the aggregate amount involved does not exceed the lesser of \$1,000,000, or 2 percent of that other entity's total annual revenues.
4. Certain Company charitable contributions. Any charitable contribution or pledge by the Company to a charitable organization, foundation or university at which a Related Party's only relationship is as a non-officer employee or director, if the aggregate amount of the contribution or pledge during the reporting period does not exceed \$100,000,;
5. Transactions where the Related Party's interest arises solely from the ownership of the Company's common or preferred stock and all holders of such stock receive the same benefit on a pro rata basis (e.g. dividends).
6. Transactions involving competitive bids. Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids, and the General Counsel determines that consummation of the Transaction would not present a potential conflict of interest.
7. Certain banking-related services. Any transaction with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

Violation of this Policy

Any officer or director who violates this Policy places him or herself and the Company at great risk. Violations may result in disciplinary action up to and including termination of employment or dismissal from the Board.

Interpretation

Any questions concerning this Policy should be directed to the General Counsel or Chief Financial Officer. The Board of Directors shall resolve any conflict in interpretation of this Policy. Nothing contained in this policy shall supersede the Conflict of Interests provisions of the Company's Code of Business Conduct and Ethics.