



CODE OF CORPORATE CONDUCT

Last adopted
September 2017



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NACCO Industries, Inc. (“NACCO”) and its subsidiaries (NACCO, together with its subsidiaries, are collectively referred to as the “Company”) are committed to achieving the highest standards of legal and ethical conduct for itself and its directors, officers and employees (collectively referred to as “Company personnel”). Adherence to these standards is essential; it is the activities of Company personnel, individually and collectively, which affect the Company’s reputation in the community, public confidence in the integrity of the Company and the direct financial interests of the Company, all of which are fundamental to its continued success. Over and above the strictly legal aspects involved, all Company personnel are expected to observe high standards of business and personal ethics in the discharge of their responsibilities. It is the personal responsibility of all Company personnel to acquaint themselves with the legal and policy standards applicable to their assigned duties and responsibilities and to conduct themselves accordingly.

The Company has formalized its historical corporate compliance policies in the Code of Corporate Conduct (the “Code”), which sets forth appropriate legal and ethical principles by which all Company personnel are expected to abide. In addition, the Company has made available to its employees its Corporate Conduct Guidelines (the “Guidelines”) which include more practical examples of the legal and ethical principles. For personnel in certain countries, the Company may adopt an addendum (each an “Addendum”) which, to the extent specifically provided therein, contains additional rules and/or supersedes certain provisions of the Code and Guidelines in order to comply with the applicable laws of that country. The Code, the Guidelines and all applicable Addendums are designed to provide all Company personnel with guidance on how to proceed when legal or business ethics issues arise. The Code, the Guidelines and the Addendums (as in effect from time to time) were adopted under, and are an integral part of, the Company’s Corporate Compliance Program.

I. INTRODUCTION

The Code is designed to provide an official statement of how the Company will conduct its business. The Code obligates all Company personnel to abide by the Company’s tradition of honest, ethical and lawful behavior, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. The Corporate Compliance Program, which is designed to help ensure that the Company and all Company personnel comply with all applicable laws and regulations, places oversight responsibility at the highest levels of the Company and creates a standard approach to the implementation of its requirements.

The Code applies to all Company personnel. All Company personnel should be thoroughly familiar with the Code. Copies of the Code are available on NACCO’s website (www.nacco.com), and all new employees are provided with copies when they are hired. Additional copies of the Code and the Guidelines are available upon request from the Company’s Legal Department. All copies of documents requested from the Legal Department related to the Code and Guidelines will be provided free of charge.

All officers and managers of the Company are responsible not only for reporting violations of law or the Code, but also for reviewing the law and the Code with their subordinates. All new Company personnel shall read the Code upon commencing employment. All directors and officers and selected other managers and employees will read the Code each year and will certify that they conducted the Company’s business in compliance with the Code and applicable laws, and have reported any known conduct by any director, officer or employee of the Company in violation of the Code or any law.

The following is a summary of certain Company’s policies.

II. **STATEMENT OF POLICY CONCERNING CONFLICTS OF INTEREST, BUSINESS GIFTS AND ENTERTAINMENT, POLITICAL CONTRIBUTIONS, AND GOVERNMENT OFFICIALS AND OTHER ILLEGAL PAYMENTS**

Conflicts of Interest. It is the policy of the Company that the business affairs of the Company are to be conducted at all times in the best interests of the Company. All Company personnel therefore should avoid situations where the private interests of Company personnel interfere in any way with the Company's interests. All Company personnel need to be especially sensitive to situations that have even the appearance of impropriety and promptly report them to a supervisor, or if appropriate, a more senior manager. If you believe that a transaction, relationship or other circumstance creates or may create a conflict of interest, you should promptly report that concern in accordance with the reporting provisions of the Code so that a determination can be made whether the situation constitutes an actual conflict of interest. It is the Company's policy that circumstances that pose a conflict of interest for Company personnel are prohibited unless a waiver is obtained in accordance with the Code.

Business Gifts and Entertainment. Except as set forth below, Company personnel are prohibited from making any gift, payment or loan, or from granting any favor, to any present or prospective customer, supplier, service provider or any other business partner, particularly where the purpose is to influence his or her business judgment or to induce him or her to compromise his or her duties. Company personnel also are not permitted to accept from such persons or entities any similar gifts, payments, loans or favors. These prohibitions do not include (a) the gift or receipt of reasonable favors or gifts of tangible property of nominal value not exceeding normal standards of ethical business conduct or (b) normal entertainment for business purposes consistent with customary industry standards. Any such gifts and entertainment involving the expenditure of Company funds must be approved in accordance with Company policy and properly recorded on the books and records of the Company.

Political Contributions. Company personnel may not promise or make any contribution, directly or indirectly, on behalf of the Company to any political party or candidate for public office, particularly where the purpose is to influence his or her judgment or to influence a public election. Company personnel are encouraged to participate in the political process and support the political activities of their community on an individual basis; however, Company personnel must participate on their own personal time and use their own individual funds for such activities. The Company will not reimburse Company personnel for political contributions of any nature. Company personnel are encouraged to vote and participate fully in the political process; however, Company personnel cannot use Company resources to vote or otherwise be active in political activities.

Government Officials and Illegal Payments. Company personnel are prohibited from making any gift, payment or loan, or from granting any favor, to any present or prospective domestic or foreign government officer or agent, particularly where the purpose is to influence his or her business judgment or to induce him or her to compromise his or her duties. Company personnel also are not permitted to accept from such persons or entities any similar gifts, payments, loans or favors. This prohibition does not include facilitating or expediting payments made to foreign officials to expedite or secure the performance of routine governmental actions, so long as any such payments are approved in accordance with Company policy and properly recorded on the books and records of the Company. This prohibition also does not include favors or gifts to a domestic or foreign government officer or agent of tangible property of nominal value not exceeding normal standards of ethical business conduct including the expenditure of Company funds for normal entertainment for business purposes consistent with customary industry standards, so long as such favors, gifts or entertainment are consistent with applicable governmental laws and regulations of all applicable jurisdictions including, without limitation, the United States (*e.g.*, the U.S. Foreign Corrupt Practices Act) and the country represented by the government officer or agent. More detailed guidance concerning gifts, payments, loans or favors to government officials is set forth in the [Anti-Corruption Compliance Policy](#) (last revised December 2017), copies of which are available upon request without charge from the Company's Legal Department.

III. **CORPORATE OPPORTUNITIES**

Company personnel are not permitted to take for themselves or others opportunities intended for the Company, whether or not discovered through the use of Company property, information or position, without the prior consent of the Board of Directors of the Company. Company personnel also are prohibited from competing with the Company and using Company property, information or position for personal gain without the prior consent of the Board of Directors of the Company. Company personnel owe a duty to the Company to advance its legitimate interests when opportunities to do so arise.

IV. PROHIBITION AGAINST USE OF CONFIDENTIAL “INSIDE” INFORMATION

Company personnel are not permitted to divulge confidential information pertaining to the Company or any affiliated company (e.g., non-public information relating to acquisitions, dispositions, business plans, earnings, financial or business forecasts or competitive information that might be useful to competitors, or harmful to the Company or its customers, if disclosed) or any of its customers to any individual who does not have a direct Company-related need to know such information. Nor may Company personnel seek to obtain any confidential information of customers, suppliers or competitors in an illegal or unethical manner. No information obtained by Company personnel as the result of his or her relationship to the Company may be used for personal profit or as the basis for a “tip” to others, unless the Company has made such information generally available to the public. This requirement relates not only to transactions with respect to stock and other securities but also to any situation where undisclosed information may be used as the basis for inequitable bargaining with an outsider. Insider trading is both unethical and illegal. Any Company personnel who are found to have engaged in insider trading face severe penalties, including civil and/or criminal charges, as well as termination or dismissal from the Company.

V. MAINTAINING ACCURATE BOOKS AND RECORDS

All assets, liabilities, revenues and expenses of the Company must be properly recorded in appropriate Company books and records. No false or fictitious entries may be made in, and no information that should be recorded shall be omitted from, the books and records of the Company for any reason. All entries in the books and records of the Company must properly reflect the nature of the transactions in full compliance with accounting rules, including, as required, the relevant tax accounting rules relating to the transfer pricing of intra-Company transactions.

The reports and documents that the Company files with, or submits to, the United States Securities and Exchange Commission, and all other public communications made by the Company, must fully, fairly and accurately disclose the matters required in such communications. The disclosures must be made in a timely fashion as required by applicable laws and regulations, and drafted in an understandable manner.

VI. COMPETITIVE PRACTICES AND FAIR DEALING

Collaboration with competitors is illegal, and discussions concerning certain topics must be avoided. These topics can include pricing, production, marketing, inventories, product development, sales territories and goals, market studies and proprietary or confidential information. For example, it is against Company policy to engage in illegal or improper acts to acquire a competitor’s trade secrets, customer lists, financial data or information about facilities, technical developments or operations. In addition, it is against Company policy to hire competitors’ employees to obtain confidential information or urge competitors’ personnel or customers to disclose confidential information. It is against Company policy to take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. Company personnel should endeavor to deal fairly with the Company’s customers, suppliers, competitors and employees.

VII. EXPORT AND IMPORT REGULATIONS, MATERIALS SOURCING

Export and Import Regulations. It is the Company’s policy to comply with the export and import regulations of the countries where it conducts business, which regulate and limit the Company’s ability to import and export goods and materials, and which control and/or restrict the export of certain goods and technology to specific countries.

Materials Sourcing. The Company will comply with all applicable laws and regulations relating to the sourcing of materials for its products, including any reporting or disclosure requirements. The Company is committed to sourcing materials from parties that share the Company’s values regarding respect for human rights, integrity and environmental responsibility.

VIII. ELECTRONIC COMMUNICATIONS, INTELLECTUAL PROPERTY, COMPUTER ESPIONAGE, CONFIDENTIAL INFORMATION AND SECURITY

Electronic Communications. Electronic mail (e-mail), voicemail, the Internet, Intranet, electronic bulletin board providers, cell phones, telephones, modems, fax machines, pagers, remote portable e-mail devices (e.g., iPhones and Blackberries) and other forms of electronic communication are business tools provided by the Company for use in supporting various business activities. All aspects of the Company’s Electronic Communication System are

the property of the Company. While the Electronic Communication System provides opportunities to save time and money, the opposite can occur when it is improperly used. To address these concerns, the Company has adopted an Electronic Communication System User Policy (last revised in August 2016), which has previously been distributed to all Company personnel. Additional copies are available upon request without charge from the Company's Legal Department. All Company personnel are charged with reviewing, understanding and complying with all aspects of the Electronic Communication System User Policy.

Intellectual Property. The Company and its personnel must respect the intellectual property and confidential information of other parties. "Intellectual property" is a term that describes creative works whose authors and inventors have legal rights to them. Copyrights, patents, trade secrets and trademarks all belong to this category.

Software Use. The unauthorized copying of computer software is prohibited. Original computer software is protected by copyright law. The money paid for a software product generally represents a license fee for the use of one copy. Reproducing software without authorization, except in accordance with the terms of the license (*e.g.*, backup copies), violates copyright law.

Copying of Copyrighted Printed Materials. The intentional unlicensed duplication of copyrighted material for the purpose of commercial gain or competitive advantage is unlawful and will, in most circumstances, constitute a violation of criminal law.

Computer Espionage. It is a violation of the Code and the Company's Electronic Communication System User Policy and, in many cases, local or federal law, to use a computer to gain unauthorized access to computer systems with the intent either of (1) obtaining trade secrets or other confidential information, (2) destroying, impairing or otherwise injecting a virus, trojan, worm or other malicious software into any information system or (3) committing any other type of computer fraud or theft.

Confidential Information of Other Parties. Company personnel may not employ illegal or unethical means to acquire confidential information from others, and should immediately report to their supervisor any attempt to sell or otherwise disclose to the Company anyone else's confidential information.

IX. PROTECTION AND PROPER USE OF COMPANY ASSETS

Company personnel should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste of Company assets have a direct impact on our profitability and should be avoided. All Company assets should be used only for legitimate business purposes of the Company. Any suspected incident of fraud or theft should be immediately reported in accordance with the reporting provisions of the Code.

X. ENVIRONMENT, HEALTH AND SAFETY

All Company personnel are to accomplish their tasks in a manner that complies with the laws protecting the environment, as well as those promoting the safety and health of all persons from unreasonable risks. The Company is also obligated by law to ensure that the workplace is free from recognized hazards that might cause physical harm.

XI. EMPLOYMENT-RELATED PRACTICES

Equal Employment Opportunity. The Company will provide equal employment opportunity to all persons as required by law. In all employment decisions, including those involving recruitment, hiring, placement, promotion, reassignment, compensation, training, discipline and dismissal, the Company will afford equal opportunity to all individuals, without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, age, veteran status, or any other classification declared to be impermissible by law. Reasonable accommodations for individuals with handicaps or disabilities will be made, as required by federal or applicable state law.

Anti-Harassment. The Company is committed to the principle that all of its employees should be able to enjoy a work environment free from all forms of discrimination and harassment, including, but not limited to, sexual harassment, and harassment and discrimination based on race, color, national origin, religion, gender, sexual orientation, gender identity, age or disability.

Workplace Violence and Weapons. Except as otherwise provided below or as required under applicable law, no weapons of any kind are permitted on Company property at any time. Weapons in the possession of on-duty law enforcement officers and Company authorized security personnel are permitted on Company property. In situations where there are prudent reasons to permit the presence of weapons on Company property, limited adjustments to the foregoing may be approved from time to time by NACCO's Vice President, General Counsel and Secretary.

The Company has a policy of zero-tolerance for workplace violence, verbal and personal non-verbal threats and other actions that reasonably could have the effect of causing concern for the physical safety of Company personnel, vendors, contractors and visitors or for the security of the physical assets of the Company, including verbal and physical threats, fights, bomb threats and false fire alarms. This includes threats made outside the workplace that have an impact on the workplace.

Immigration Laws. It is the Company's policy to comply fully with the immigration laws and regulations of the countries where it has employees.

XII. COMPLIANCE AND REPORTING

All Company personnel are required to report without delay through normal reporting channels (for example, your supervisor or any other manager) any conduct engaged in by themselves or by other Company personnel which they believe to be a violation of the Code or which they believe is unethical, dishonest or illegal. The identity of any Company personnel making such a report will be kept in strict confidence except as required by law. These procedures are designed to maintain confidentiality. Nevertheless, if you are aware of a violation of the Code but do not feel comfortable identifying yourself, the report may be made on an anonymous basis.

If after either (1) exhausting normal reporting procedures or (2) reasonably concluding that exhausting them would not be feasible, employees should make reports of such activities by calling the Company's Corporate Compliance Hotline, logging onto the Company's Hotline Reporting Website or by writing to the Company's Vice President, General Counsel and Secretary, as set forth on the following page.

It is a serious violation of the Code, and under certain circumstances a violation of applicable laws, for any manager of the Company to initiate or encourage reprisal against any Company personnel or other person who in good faith reports a known or suspected violation of law or the Code.

How to Report an Ethical Concern or Violation:

All Company personnel are required to report without delay through normal reporting channels (for example, your supervisor or any other manager) any conduct engaged in by themselves or by other Company personnel which they believe to be a violation of the Code or which they believe is unethical, dishonest or illegal. The identity of any Company personnel making such a report will be kept in strict confidence except as required by law. These procedures are designed to maintain confidentiality. Nevertheless, if you are aware of a violation of the Code but do not feel comfortable identifying yourself, the report may be made on an anonymous basis.

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The following are appropriate Hotline Phone Numbers, Hotline Reporting Websites and contact information for the Vice President, General Counsel and Secretary for NACCO and The North American Coal Corporation:

Company	Country	Hotline Phone Number	Hotline Reporting Website	Vice President, General Counsel and Secretary
<p>NACCO Industries, Inc. The North American Coal Corp.</p>	<p>United States</p>	<p>877-367-4448</p>	<p>https://nacco.ethicspoint.com</p>	<p>John D. Neumann The North American Coal Corporation 5340 Legacy Drive Building 1, Suite 300 Plano, Texas 75024</p>

Violations of the Code. The Board of Directors or a committee of the Board of Directors shall determine whether an action taken by an executive officer or director of the Company that has been brought to its attention constitutes a violation of the Code. The determination of whether an action taken by any other employee constitutes a violation of the Code shall be made by the Chief Executive Officer of the Company.

Penalties. Any violation of the Code will form the basis for appropriate disciplinary action, up to and including dismissal.

It is the policy of the Company that (a) information relating to known acts of theft, defalcation and other crimes against the Company, whether committed by Company employees, representatives or others, shall be reported to appropriate regulatory or law enforcement authorities and (b) the employment of employees involved in any such acts shall be promptly terminated, except as otherwise determined by the Chief Executive Officer of NACCO or, in the case of a NACCO subsidiary, the Chief Executive Officer of the relevant subsidiary following consultation with the Chief Executive Officer of NACCO; provided that the Company shall not have the discretion to waive the requirement to report relevant information to appropriate regulatory or law enforcement authorities in accordance with (a), above, if such reporting is required by applicable federal, state, provincial or non-U.S. laws, statutes, regulations or other rules.

Waivers. Only the Board of Directors or a committee of the Board of Directors may waive a provision of the Code for the Company's executive officers and directors, and any waiver will be promptly disclosed to the public in the manner and to the extent required by applicable law. Waivers of the Code for any other employee may be made only by the Chief Executive Officer of the Company.

CONCLUSION

The Company recognizes that it is sometimes difficult to delineate proper standards of ethical conduct. In such instances, Company personnel should not rely upon their own personal judgment, but should fully and openly discuss the matter with their supervisor. Company management may bring any further questions concerning the ethics or legality of a particular situation to the attention of the Chief Executive Officer of the Company or the Vice President, General Counsel and Secretary who, if necessary, will consult with outside legal counsel for final determination.