



Whistleblower Policy: Reporting Potential Misconduct

DOUGLAS DYNAMICS, INC. WHISTLEBLOWER POLICY: REPORTING POTENTIAL MISCONDUCT

I. Introduction

Douglas Dynamics, Inc. (together with its subsidiaries, the "**Company**") expects its directors, officers and employees to observe high standards of business and personal ethics in performing their duties and responsibilities on behalf of the Company and to comply with all applicable laws, regulations and Company policies. The underlying purpose of this policy (this "**Policy**") is to further the Company's goal of legal and ethical compliance. The support of all directors, officers and employees is important in achieving this goal. This Policy sets forth (a) procedures for directors, officers and employees to raise questions and concerns about potential misconduct regarding accounting, internal accounting controls and auditing matters, as well as ethical violations, and other similar illegal or improper practices or policies (collectively, "**Improper Practices**") and (b) the Company's procedures for handling the receipt, retention and treatment of such complaints. Other subjects for which the Company has existing complaint mechanisms should be addressed under those mechanisms unless those channels are themselves implicated in the wrongdoing. This Policy is not intended to provide a means of appeal from outcomes in those other mechanisms. Any director, officer or employee of the Company may submit a good faith complaint regarding an Improper Practice without fear of dismissal or retaliation of any kind. The Company's Audit Committee will oversee the treatment of complaints under this Policy.

II. Raising Questions and Reporting

Directors, officers and employees with concerns regarding Improper Practices should feel free to discuss any suspected violation or concern with their supervisors or any member of senior management. Additionally, concerns or complaints may be reported to the Chairman of the Audit Committee, including on a confidential, anonymous basis through regular mail marked CONFIDENTIAL and addressed as set forth below. The Company encourages individuals to provide their names to facilitate investigation and follow-up.

Chairman of Audit Committee
Douglas Dynamics, Inc.
7777 North 73rd Street
Milwaukee, Wisconsin 53223

In addition, complaints regarding accounting, internal accounting controls or auditing matters may be reported confidentially and anonymously to the Audit Committee through the Company's Financial Concern Hotline accessible at <https://www.openboard.info/plow/index.cfm>. The Hotline provides three methods for reporting a concern to the Audit Committee: (1) through a secure web forum, (2) by emailing the Audit Committee at plow@openboard.info, and (3) by leaving a voicemail message with the Audit Committee at 866-265-4239.

III. Handling of Reported Concerns or Complaints

Upon the receipt of a complaint, the Chairman of the Audit Committee or its authorized designee will (a) determine whether the complaint actually pertains to an Improper Practice and (b) when possible, acknowledge receipt of the complaint to the sender. Complaints relating to Improper Practices will be reviewed under Audit Committee direction and oversight by outside counsel, Internal Audit or such other persons as the Audit Committee determines to be appropriate. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee.

IV. Protection Against Retaliation

The Company is committed to maintaining an environment where individuals feel free to raise questions and concerns in good faith. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any director, officer or employee based upon any lawful actions with respect to good faith reporting of complaints regarding Improper Practices or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002. This protection extends to those whose allegations are made in good faith, but are determined to be mistaken, though not to serial complaints without merit. In addition,

the Company will not retaliate against an individual who assists in the investigation of potential misconduct. Any officer or employee who engages in retaliation may be subject to appropriate disciplinary action, up to and including termination. A director who engages in retaliation may be subject to action as determined by the Board of Directors. The Company reserves the right to discipline persons who make bad faith, knowingly false or vexatious complaints, reports or inquiries, or who otherwise abuse this Policy.

V. Retention of Complaints and Retaliation

The Audit Committee or its authorized designee will retain as part of the records of the Audit Committee any complaints or concerns, tracking their receipt, investigation and resolution, for a period of no less than three years. Any authorized designee shall prepare a periodic summary report thereof for the Audit Committee.

Last Amended: September 9, 2010