



CODE OF BUSINESS CONDUCT AND ETHICS

DOUGLAS DYNAMICS, INC. CODE OF BUSINESS CONDUCT AND ETHICS

I. Introduction

This Code of Business Conduct and Ethics (this “**Code**”) was adopted by the Board of Directors (the “**Board**”) of Douglas Dynamics, Inc. (Douglas Dynamics, Inc. and its subsidiaries, collectively, referred to herein as the “**Company**”) to further the Company’s commitment to conducting its business with honesty and integrity. This Code is intended to result in fair and accurate financial reporting, to promote ethical conduct and compliance with applicable laws and regulations, to provide guidance with respect to the handling of ethical issues, to provide mechanisms for reporting actual or potential violations of the policies described herein, to foster a culture of honesty and accountability and to deter wrongdoing.

This Code serves as a source of guiding principles, and the Company expects employees, officers and directors to use their own judgment at all times to follow the high ethical standards to which the Company is committed. Employees, officers and directors are expected to read the policies set forth in this Code and understand and comply with them. Each employee, officer and director should read this Code in conjunction with the other Company policies applicable to him or her.

Any questions about this Code or appropriate course of conduct in a particular situation should be directed to the Company’s Chief Financial Officer, Sarah Lauber at (414) 362-3939 or slauber@DouglasDynamics.com, who may consult with the Company’s outside legal counsel or the Audit Committee, as appropriate. Any determination with respect to the applicability of the provisions of this Code to executive officers or directors of the Company may be made only by the Board or the Audit Committee.

II. Integrity of the Company’s Public Disclosures and Records

Employees, officers and directors are responsible for the accurate and complete reporting of financial information within their areas of responsibility and for the timely notification to senior management of financial and nonfinancial information that may be material to the Company. The Company expects all of its employees, officers and directors to take this responsibility very seriously so that the reports and documents that the Company files with or submits to the Securities and Exchange Commission, and all other public communications made by the Company contain full, fair, accurate, timely and understandable disclosure.

Employees, officers and directors involved in the Company’s public disclosures are responsible for full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with or submits to the Securities and Exchange Commission, and in all other public communications made by the Company. Accordingly, it is the responsibility of any such employee, officer or director promptly to bring or cause to be brought to the attention of the Company’s Chief Executive Officer and Chief Financial Officer any material information of which he or she may become aware that affects the disclosures made by the Company in its public filings and other public communications or otherwise assist with the disclosure in such filings and communications. The Chief Executive Officer, Chief Financial Officer and other senior financial officers of the Company shall foster practices and procedures to cause compliance with applicable laws and regulations, including the United States securities laws, regarding full, fair, accurate, timely and understandable disclosures of Company information.

All of the Company’s books, records, accounts and financial statements must be maintained in reasonable detail, and reflect the matters to which they relate accurately, fairly and completely. Furthermore, all books, records, accounts and financial statements must conform both to applicable legal requirements and to the Company’s system of internal controls. All assets of the Company must be accounted for carefully and properly. No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the Company’s books or records for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation and authorization. Misclassification of transactions as to accounts,

business units, or accounting period is forbidden. Each employee bears responsibility for ensuring that he or she is not party to a false or misleading accounting entry.

III. Fair Dealing

Each employee, officer and director should endeavor to deal fairly with the Company's customers, suppliers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

IV. Interference with an Audit

The Company prohibits its employees, officers and directors, from making false or misleading statements to the Company's outside auditor or from taking any action to fraudulently influence, coerce, manipulate or mislead the Company's outside auditor in the performance of an audit of the Company's financial statements.

V. Protection and Proper Use of Company Assets

All employees, officers and directors should protect the Company's assets and promote their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes only. Employees whose duties involve verification of expenditures of Company money are responsible for verifying that expenditures are legitimate and comply with applicable Company policies, laws, rules and regulations. Any suspected incident of fraud or theft should be reported immediately to the employee's immediate supervisor for investigation.

VI. Conflicts of Interest

A conflict of interest occurs when an individual's private interest, or the interest of a member of his or her family, interferes in any way or even appears to interfere with the interests of the Company as a whole. A conflict situation can arise when an employee, officer or director, or a member of his or her family, takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, such persons or their family members are of special concern. Loans by the Company to, or guarantees by the Company of obligations of, any director or executive officer are expressly prohibited. The following are examples of conflicts of interests to be avoided:

- *Family Members.* Employees, officers and directors may not conduct business on behalf of the Company with family members or an organization in which a family member is associated, unless such business relationship has been disclosed to and authorized by the Company in accordance with the Company's applicable policies. "Family members" include a spouse, parents, stepparents, children, stepchildren, siblings, in-laws and anyone residing in the person's home (other than tenants and employees). See the Company's Related Person Transaction Policy for more information with respect to such transactions.
- *Interests in Other Businesses.* Employees, officers and directors may not accept compensation in any form for services performed for the Company from any source other than the Company.
- *Improper Conduct and Activities.* Employees, officers and directors may not engage in any conduct or activities that are inconsistent with the Company's best interests or that materially disrupt or impair the Company's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship.
- *Gifts and Gratuities.* Employees, officers, directors, and family members may not solicit or accept material gifts or gratuities or other favored treatment from any person associated with a present or prospective customer, supplier or competitor of the Company when doing so may influence, or be perceived as influencing, a decision or action. Similarly, employees, officers and directors may not offer or give gifts, money, services or anything else of material value to a customer, prospective customer, competitor or supplier when doing so may gain, or be perceived as gaining, an unfair business advantage. Good judgment is to be exercised in the acceptance of or offering business gifts, meals and entertainment. These activities must be consistent with reasonable marketplace practices and Company policies, and for the express purpose of enhancing a business relationship.

- *Personal Use of Company Assets.* Employees, officers and directors may not use Company assets, labor or information for personal use, other than incidental personal use, unless approved by the Company.

Any situation, transaction or relationship that may give rise to an actual or potential conflict of interest must be disclosed to the Company and shall be avoided, unless approved by the Company. Persons other than directors and executive officers who have questions about a potential conflict of interest or who become aware of an actual or potential conflict should discuss the matter with, and seek a determination and prior authorization or approval from, their supervisor or the Chief Financial Officer. A supervisor may not authorize or approve conflict of interest matters or make determinations as to whether a problematic conflict of interest exists without first providing the Chief Financial Officer with a written description of the activity and seeking the Chief Financial Officer's written approval. If the supervisor is himself involved in the potential or actual conflict, the matter should instead be discussed directly with the Chief Financial Officer.

Directors and executive officers must seek determinations and prior authorizations or approvals of potential conflicts of interest exclusively from the Audit Committee.

VII. Corporate Opportunities

Employees, officers and directors owe a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Employees, officers and directors are prohibited from (a) taking for themselves personally (or for the benefit of friends or family members) opportunities that are discovered through the use of Company property, information or position; (b) using Company property, information or position for personal gain; and (c) competing with the Company. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

VIII. Confidential Information

Employees, officers and directors should maintain the confidentiality of information entrusted to them by the Company, except when disclosure is authorized or legally mandated. Confidential information must never be misused and should only be used for legitimate business purposes. The dissemination of confidential information, both inside and outside the Company, should be limited to those who have a need to know the information for business purposes. Confidential information includes all nonpublic information about the Company or any other company that comes to employees, officers and directors in the course of their service to the Company. The obligation to protect confidential information does not end when an employee, officer or director leaves the Company. Any questions about whether information is confidential should be directed to the Company's Chief Financial Officer.

IX. Compliance with Laws, Rules and Regulations

All employees, officers and directors must respect and obey all laws when carrying out responsibilities on behalf of the Company and refrain from illegal conduct. Employees, officers and directors have an obligation to be knowledgeable about specific laws, rules and regulations that apply to the Company and their areas of responsibility. If a law conflicts with a policy in this Code, employees, officers, and directors must comply with the law. Any question as to the applicability of any law should be directed to the Chief Financial Officer. The following is a brief summary of certain topics about which employees should be aware:

A. Antitrust

Competition laws and regulations throughout the world are designed to foster a competitive marketplace and prohibit activities that restrain trade. Generally, actions taken in combination with other companies that restrain competition may violate the antitrust laws. Certain antitrust violations involving agreements with competitors are crimes and can result in large fines and prison terms for the individuals involved. The Company is dedicated to compliance with laws governing fair competition in all of its activities. An activity that undermines this commitment is unacceptable. The laws governing this area are complex, and employees should seek the advice of counsel whenever appropriate.

B. Insider Trading

Federal and state securities laws prohibit any trading of securities by a person while aware of material nonpublic information. Please see the Company's Insider Trading Policy for more information with respect to these matters. Questions about specific transactions should be directed to the Chief Financial Officer.

C. Health, Safety and Environment

The Company's operations are directly and indirectly subject to extensive federal, state and local environmental and safety laws and regulations relating to, among other things, the generation, storage, handling, emission, transportation, disposal and discharge of hazardous and non-hazardous substances and materials into the environment and employee health and safety. If an employee becomes aware of actions in violation of any of these laws, he/she should contact his or her immediate supervisor, his or her unit or department manager or, the Vice President, Operations or the Chief Financial Officer; directors should contact one of the above-named officers or the Chair of the Nominating and Corporate Governance Committee. Compliance with all applicable laws, rules and regulations governing health, safety and the environment is a responsibility of management and employees in all functions.

D. Fair Employment Practices

The Company strives to maintain a work environment in which all individuals are treated with respect and dignity. Every individual has the right to work in a professional atmosphere that promotes equal employment opportunities and where discriminatory practices, including harassment, are prohibited.

The Company requires each employee to treat all colleagues in a respectful manner and to forge working relationships that are uniformly free of bias, prejudice and harassment. The Company prohibits discrimination against or harassment of any employee on the basis of race, religion, color, sex, pregnancy, national origin, age, physical or mental disability, military or covered-veteran status, marital status, sexual orientation or any classification protected by applicable federal, state or local law.

Any employee who is found to have illegally discriminated against another employee is subject to discipline up to and including termination.

No individual will suffer any reprisals or retaliation for making complaints or reporting any incidents or perceived incidents of discrimination or harassment, or for participating in any investigation of incidents or perceived incidents of discrimination or harassment.

E. Political Activities

The Company does not make contributions to political candidates or political parties except as permitted by applicable laws.

Employees, officers and directors engaging in political activity must do so as private citizens and not as representatives of the Company. An employee, officer or director's personal lawful political contributions, or decision not to make contributions, will not influence the employee's compensation, job security, or opportunities for advancement.

F. Foreign Corrupt Practices Act

Employees, officers and directors may only transact business on behalf of the Company in foreign markets and with foreign governmental officials in accordance with the Foreign Corrupt Practices Act. If an employee, officer or director is unaware about the legal rules involving these activities, he or she should consult with the Company's Chief Financial Officer before taking any such action.

G. Intellectual Property

The Company goes to extraordinary lengths to preserve, protect, and responsibly use all of its assets. This includes tangible as well as intangible assets, such as the Company's brands, technology, business information, intellectual capital and other intellectual property. Employees, officers and directors may not make unauthorized disclosure of trade secrets or other sensitive information belonging to the Company, its customers or suppliers - either during employment by the Company or thereafter. While the Company may hire individuals who have knowledge and experience in various technical areas, the Company does not employ people as a means of gaining access to trade secrets and sensitive information of others. Employees, officers and directors have a personal responsibility to use all appropriate means to safeguard the Company's assets from loss, theft, or misuse.

X. Compliance and Reporting

A. Seeking Guidance

Employees, officers and directors are encouraged to seek guidance from supervisors, managers or other appropriate personnel when in doubt about the best course of action to take in a particular situation. In most instances, questions regarding this Code should be brought to the attention of the Company's Chief Financial Officer.

B. Reporting Violations

If an employee, officer or director knows of or suspects a violation of this Code, or of applicable laws and regulations (including complaints or concerns about accounting, internal accounting controls, or auditing matters), he or she must report it immediately to the Company's Chief Financial Officer. If the misconduct involves personnel in the areas of financial reporting, disclosures or internal controls, it must also promptly be brought to the attention of the Chairman of the Audit Committee. Directors and executive officers may also report actual or potential misconduct to the Nominating and Corporate Governance Committee.

All reports will be kept confidential, to the extent practicable, except where disclosure is required to investigate a report or mandated by law. The Company does not permit retaliation of any kind for good faith reports of violations or possible violations. Actual or potential misconduct can also be reported anonymously and confidentially to the Chair of the Audit Committee 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.

C. Investigation

Reported violations will be promptly and thoroughly investigated. It is imperative that the person reporting the violation not conduct an investigation on his or her own. Employees, officers and directors are expected to cooperate fully with any investigation made by the Company into reported violations.

D. Sanctions

Employees or officers who violate this Code may be subject to disciplinary action, up to and including termination of employment. Moreover, employees or officers who direct or approve of any conduct in violation of this Code, or who have knowledge of such conduct but do not immediately report it may also be subject to disciplinary action, up to and including termination of employment. A director who violates this Code or directs or approves conduct in violation of this Code shall be subject to such action as determined by the Board.

Furthermore, violation of some provisions of this Code are illegal and may subject the employee, officer or director to criminal liability.

XI. Waivers

Waivers of this Code will be granted only in special circumstances. Any waiver for executive officers or directors will be made by the Board of Directors and will be disclosed publicly within four days of such determination either by press release, website disclosure or by filing a current report on Form 8-K with the SEC.

XII. Certification

All directors, officers, and employees are required to certify their understanding of and intent to comply with this Code periodically.

Last Amended: November 1, 2017

ACKNOWLEDGEMENT AND AGREEMENT

The undersigned hereby acknowledges receipt of the Douglas Dynamics, Inc. Code of Business Conduct and Ethics (the "**Code**") and that the undersigned has read and understands the Code and agrees to abide by the terms of the Code.

_____ Date: _____
Signature

Name (Please Print)