



**NACCO INDUSTRIES, INC.
AND SUBSIDIARIES**

CORPORATE CONDUCT GUIDELINES

February 2010



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I. INTRODUCTION

These Corporate Conduct Guidelines (the “Guidelines”) are designed to provide practical guidance to directors, officers, employees and representatives of NACCO Industries, Inc. (“NACCO”) and its subsidiaries (NACCO together with its subsidiaries collectively referred to as the “Company”) to assist them in understanding and ensuring compliance with the NACCO Industries, Inc. and Subsidiaries Code of Corporate Conduct (the “Code”). 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 the Guidelines in order to comply with the applicable laws of that country. The Guidelines and all applicable Addendums are an integral part of, and are intended to be read together with, the Code. The Code obligates all Company directors, officers and employees (collectively referred to as “Company personnel”) to abide by the Company’s tradition of ethical, honest and lawful behavior. Any activity by any Company personnel that violates the law or the Code, even if intended to help the Company, is directly contrary to the Company’s interests. The Code and these 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.

The Code, these Guidelines and the Addendums signify the Company’s desire to continue to promote exemplary ethical behavior by Company personnel and the Company’s representatives. They are not intended to set forth either express or implied contractual obligations of the Company. Nor are they intended to supersede any pre-existing business policies or practices, whether or not in writing, which relate to the subjects of business ethics or compliance with law.

Who’s Covered

The Code applies to all directors, officers and employees of the Company. 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 of the Code, these Guidelines and all applicable Addendums when they are hired. Additional copies of the Code, these Guidelines and all applicable Addendums are available upon request from the Company’s Legal Departments. All copies of documents requested from the Legal Department related to the Code and Guidelines will be provided free of charge.

Organization of the Guidelines

The introductory sections of the Guidelines describe the formal Corporate Compliance Program (the “Corporate Compliance Program”) adopted by the Company in conjunction with the Code. Sections I through X set forth the Company’s policies in selected compliance areas. The final section details responsibilities for implementing the Code.

CORPORATE COMPLIANCE PROGRAM

The Corporate Compliance Program is designed to help ensure that the Company complies with all criminal and civil laws. It is intended to satisfy the requirements of the Federal Guidelines for Sentencing of Organizations. As part of the Corporate Compliance Program, a written Corporate Compliance Policy (the "Policy") also has been adopted. The Policy is available upon request without charge from the Company's law departments.

Organization

The Corporate Compliance Program places oversight responsibility at the highest levels of the Company and creates a standard approach to the implementation of its requirements. The Chairman, President and Chief Executive Officer of NACCO is principally responsible for ensuring compliance with the Code and the laws throughout the Company. He is supported in this effort by the Chief Executive Officers of each of NACCO's principal subsidiaries.

Reporting to the Chief Executive Officer of NACCO is the Corporate Compliance Counsel, who is responsible for coordinating the efforts of all persons involved in the Corporate Compliance Program. The NACCO Corporate Compliance Counsel is supported in this effort by the Corporate Compliance Counsels of each of NACCO's principal subsidiaries.

In addition, selected senior executives of the Company will be responsible for ensuring compliance in various areas within the Company, for being vigilant to discover any illegal conduct and for reporting misconduct to NACCO's or the appropriate subsidiary's Corporate Compliance Counsel. These executives may identify one or more managers to assist them in these efforts. The Chief Executive Officers, the Corporate Compliance Counsels and the identified executives and other managers are responsible for keeping these Guidelines current and for general oversight of the Corporate Compliance Program on a continuing basis.

Annual Certification

All officers and managers of the Company are responsible not only for reporting any 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 and these Guidelines each year and will certify that they have 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. All reports of violations of law or the Code should be made in accordance with the procedures set forth in Section XII of these Guidelines.

Educational Programs

Because all directors, officers and employees are asked to make a serious commitment to comply with the law, the Company will periodically conduct programs that provide Company personnel with information needed to fulfill their duties. These programs may consist of additional written policies, informational handouts and memoranda or, when appropriate, training seminars in selected areas.

In general, the Company will, as always, continue to comply with all laws and regulations of every jurisdiction that apply to its business. All of the Company's managers, wherever they operate, have access to legal advice as directed by Company policy and should obtain such advice whenever needed to insure their compliance with applicable laws and regulations.

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.

The following situations are examples of activities that could be determined to create a conflict of interest:

1. Outside work for, or service as a director, officer, partner, employee or consultant of, a present or prospective competitor, supplier or substantial customer of the Company.
2. The direct or indirect purchase, sale, lease, rental or trade to or from the Company of any kind of property, facility, equipment or service by Company personnel or their dependent family members other than on an arm's length basis (such as purchases of products from Kitchen Collection stores) or pursuant to approved Company programs.
3. The direct or indirect ownership by an employee or any dependent family member of any stock or other financial interests in any present or prospective competitor, supplier or substantial customer of the Company. An insubstantial interest in a publicly held corporation is not objectionable.
4. Any loans to, or guarantees of obligations, of any Company personnel by the Company (excluding those in accordance with the Company's standard relocation policies).
5. Any other outside activity that has the potential of lessening the impartiality, judgment, effectiveness or productivity of Company personnel.

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 business judgment or to induce him to compromise his 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. The

subject of business entertainment and expenses is discussed in greater detail in the Standard Practices-Employee Expense Policies or equivalent policy, a copy of which is available upon request without charge from the office of the Company's Controller.

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 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 business judgment or to induce him to compromise his 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 U.S. Foreign Corrupt Practices Act Compliance Policy (last issued April 2002), copies of which are available upon request without charge from the Company's law departments.

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. For example, the Company may be interested in a business opportunity (*e.g.*, the acquisition of assets or real estate) made known to an individual employee by reason of his/her employment with the Company. In such a case, the employee is expected to advise the Company of the opportunity and obtain the consent of the Board of Directors before acting upon such opportunity on behalf of any person or entity other than 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.

In particular, Company personnel and their family members are prohibited from purchasing or selling stock or other securities of NACCO, or of any other publicly traded company, or from recommending such purchase or sale to other persons (“insider trading”), on the basis of material, non-public information (“inside information”). Information is material if it is important enough to affect a person’s decision to buy, sell or hold securities, and is non-public if it has not been the subject of a broadly disseminated Company news release. 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.

All announcements concerning the Company, its business or financial condition can be made only by authorized personnel after specific prior approval from the Chief Executive Officer of the Company or his designee. All such announcements will be made in accordance with procedures established for the dissemination of Company information by an officer of the Company or by the individual(s) identified as responsible for external reporting. These subjects are described in greater detail in the Insider Trading Policy of NACCO Industries, Inc. and subsidiaries (last issued August 2009) and the NACCO Industries, Inc. Corporate Disclosure Guidelines (last issued August 2001), which have previously been distributed to selected employees, copies of which are available upon request free of charge from the Company’s law departments.

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.

In particular, requests for payments of fees or commissions to the payee’s account in a country other than the payee’s residence or place of business may not be made unless approved by the Corporate Compliance Counsel. Other examples that may suggest the need for further inquiry include payment of a commission or a fee to a party for unspecified services, the existence of off-book bank accounts and accounting entries that are not supported by source documents.

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

It is inevitable that employees of the Company and its competitors will meet and talk from time to time. However, collaboration with competitors is illegal, and 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.

Information about Competitors

As a competitor in the marketplace, the Company seeks knowledge about its competitors, but the Company will not engage in illegal or improper acts to acquire a competitor's trade secrets, customer lists, financial data, information about facilities, technical developments or operations. The Company also will not seek to obtain competitive intelligence directly from its competitors (or provide competitively sensitive materials to its competitors). In addition, the Company will not 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.

Competition Law Compliance: General Policy

The competition laws of the countries in which the Company conducts business were enacted to help preserve free enterprise by promoting competition and preventing unfair, predatory trade practices. The interests of the Company and Company personnel are best served by the Company's strong policy of vigorous and fair competition in compliance with the letter and spirit of those laws. The Company's compliance depends on the conduct of its personnel, and Company personnel must realize that it is their personal obligation and responsibility to act in a manner consistent with the Company's competition law policy. Simply stated, all Company personnel are prohibited from engaging in collusive activities that violate the competition laws of the United States or any country where the Company conducts business. All Company personnel are expected to avoid conduct that could appear to violate competition laws.

Apart from the perception of what is appropriate as a matter of business ethics, Company personnel must be sensitive to the sometimes expansive reach of competition laws. What others think you did, or how others perceive your conduct -- even if it is not, in fact, what you did -- can be a significant determinant of a violation of competition law by you or by the Company. All of us must exercise great sensitivity and awareness toward activities that may raise problems under competition laws.

The consequences of violating competition laws can be quite severe. Price fixing, market allocation and many other competition law violations are crimes. This means that an individual can be subject both to serious prison terms (up to three years per offense) and substantial fines (up to \$350,000 or more per offense). Likewise, the Company can be subject to enormous fines (up to \$10 million or more per offense). Moreover, violations and alleged violations of competition laws may also result in expensive and burdensome civil litigation in which legal fees are immense, and treble (three-fold) damages may be awarded.

You are expected to become familiar with the following competition law guidelines and to adhere strictly to them. The guidelines are designed to help you recognize and identify possible competition law problems and determine when to consult with your supervisor or the Corporate Compliance Counsel about them. You should also promptly inform the Corporate Compliance Counsel whenever you observe practices of other companies that you believe are not consistent with the standards set forth in these competition law guidelines in order to insure that you and the Company are not implicated by the conduct of others.

Competition Law Compliance: Guidelines

1. Compete vigorously and independently at all times and in every ethical way. Act at all times in a manner that will demonstrate to everyone that you are competing vigorously.

2. Do not enter into any kind of agreements, “handshake understandings” or even any discussion with any competitor with respect to topics such as prices, profits, costs, terms or conditions of sale, marketing strategies, production, distribution, territories, customers, bids or other competitive information. Avoid even the appearance of any such agreement or discussion.
3. Do not compare bids with a competitor. Do not exchange confidential business information with a competitor. Record and document in your files the legitimate source of your information about competitors (if it is not already clear from the context), as well as the basis for any business decision that might be subject to future suspicion that it was made by agreement with a competitor.
4. Do not attempt to fix or otherwise dictate your customer’s resale prices or engage in activities that might be construed as demanding or coercing a customer to sell at a certain price.
5. Respect your customer’s independence; never impose territorial, customer or end-use restrictions on your customer’s ability to re-sell the Company’s products without the prior approval of the Corporate Compliance Counsel.
6. Do not enter into any agreement, understanding or discussion with any customer concerning the Company’s selection, classification, rejection or termination of any other customer or the terms on which the Company deals or might deal with any other customer.
7. Do not terminate or refuse to sell products to a customer to achieve an improper purpose.
8. Unless you have the prior approval of the Corporate Compliance Counsel to do so, do not require a customer to buy all of its requirements of a product solely from the Company, to deal exclusively with the Company or to not purchase or otherwise handle competitive products. Also, do not require a customer to buy one product as a condition of your selling the customer another product without prior approval from the Corporate Compliance Counsel.
9. Avoid any tactics that could be construed as designed to unfairly exclude the Company’s competitors from the marketplace or that might be construed as an effort to attack a particular competitor or control prices.
10. Do not offer different customers different prices, discounts, rebates or other terms of sale for the same or similar products, unless it is necessary to do so to meet similar prices or terms of sale offered by a competitor. If possible, verify and document the competing price prior to offering a distributor a lower price intended to meet that competitive price; do not, however, attempt to verify the competing price by contacting the competitor.
11. Do not furnish promotional assistance, advertising, promotional material or allowances for advertising or promotional material to one customer unless you make such assistance, material or allowances available to all competing customers on a proportionally equal basis.
12. Avoid any marketing or other programs that could be characterized as unfair or deceptive. Always adhere to the principles of honesty, frankness and forthrightness in the sale of the Company’s products, including the advertising

and promotion of those products.

13. Comply with all Company guidelines regarding participation in any trade or standards associations. In general, it is the Company's policy to belong to trade and standards associations only when such groups contribute significant benefits to justify the time and cost of membership or support.
14. In addition to the foregoing, Company personnel should always consider non-U.S. legislation and regulations in the competition law area. Company businesses operating outside of the United States must be cognizant of and adhere to applicable non-U.S. laws, rules, regulations, etc.
15. Obtain legal advice whenever there is any doubt as to the lawfulness of any proposed transaction or agreement or any contemplated course of conduct or action.

More detailed guidance concerning competitive practices and competition law compliance is set forth in the Antitrust Compliance Policy or Competition Law Compliance Policy and Antitrust Compliance Manual or Competition Law Compliance Manual (last issued August 2001), copies of which are available upon request free of charge from the Company's law departments.

VII. EXPORT AND IMPORT REGULATIONS

It is the Company's policy to comply faithfully with the export and import regulations of the countries where it conducts business. These countries maintain a complex set of regulations that regulate and limit the Company's ability to export goods and technology. Additionally, government regulations control the export of goods to specific countries and groups and/or restrict the export of certain goods or technology. All of these various export regulations are designed to protect the domestic economy, to address national security concerns and/or to advance government policy goals.

These regulations impact exports in a variety of ways, depending upon variables such as the type of goods (and components) being shipped, the ultimate destination or purchaser and the type of technology involved. Additionally, these regulations may be implicated where goods are exported and then re-exported or transshipped, and/or where goods embodying a certain country of origin technology are originally shipped from one foreign country to another. While the various regulations are too voluminous to be described in detail in these Guidelines, be aware that governments and the Company take these regulations very seriously.

Often, violations of these regulations arise from a lack of oversight, especially with respect to routine transactions, such as with sister companies located abroad. You should be aware, however, that even transactions with sister companies can violate the regulations.

As with export regulations, countries where the Company conducts business maintain a complex set of regulations with respect to the importation of goods and materials. One important area of the import regulations concerns payment of duties. In order for duties to be properly assessed, goods and materials entering a given country must be properly identified, classified and given a proper valuation. All involved Company personnel should strive, at all times, to ensure that goods and materials imported by or for the Company are properly identified, classified and valued so that correct customs duties may be assessed and paid.

Questions with respect to export and import regulations should be directed to your supervisor or the Corporate Compliance Counsel.

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.*, 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 issued in April 2002), which has previously been distributed to all Company personnel. Additional copies are available upon request free of charge from the Company's law departments. 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. Copyright infringement can occur, for example, when copies or other reproductions of copyrighted printed matter are made for commercial use without authorization. Theft of a trade secret could occur, for example, when confidential business information is obtained by unauthorized means and used for commercial advantage.

Violation of these rights can harm the owner and result in liability for the violator. Some intentional violations are even criminal offenses. It is very important that all Company personnel take care not only to protect our own intellectual property rights, but to avoid violating the rights of others.

Any employee who has a question in this area should seek help from his supervisor or the Corporate Compliance Counsel.

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 U.S. copyright law, and can subject both the Company and any Company personnel making such copies to serious legal consequences. The Company's Internal Audit Department will periodically monitor the use of software throughout the Company. The copying of computer software contrary to the terms of the applicable license agreement is against the Company's policy, and anyone making such copies is acting outside the scope and course of his or her employment.

Copying of Copyrighted Printed Materials

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

The occasional unlicensed duplication of copyrighted material, such as an article from a

newspaper, for purposes of limited use within the Company, is generally permissible. On the other hand, the repeated duplication of journal articles or the like, so as to avoid additional subscriptions to a journal, is clearly prohibited.

Computer Espionage

It is a violation of the Code and the Company's Electronic Communication System User Policy and, in many cases, local or national law, to use a computer to gain unauthorized access to another computer system 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 should 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. Questions about any of the foregoing policies should be directed to the Corporate Compliance Counsel.

Security

Effective security helps create a safe workplace and protects the confidential information necessary for the Company's success. You should know and follow the security guidelines for your work area and you should ask your supervisor or manager if you are unclear about security procedures.

Because good security is everyone's responsibility, be sure that any confidential information is put away when you leave your work area and that confidential documents being discarded are disposed of properly. Please notify your supervisor or manager any time you observe an individual's behavior that seems suspicious or out of the ordinary.

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. As we are all aware, protection of the environment is a highly regulated area, and the Company is committed to being diligent in this area. Because environmental regulations are complex, and penalties for violations can be severe, the effort of all Company personnel is needed to ensure environmental safety. The Company is also obligated by law to ensure that the workplace is free from recognized hazards that might cause physical harm. Employees should advise their supervisors or, if necessary, the Corporate Compliance Counsel of any potential environmental or safety hazards, in order to permit prompt remediation. Company personnel must adhere to the following guidelines:

1. Comply with all applicable environmental, health and safety requirements. For example, Company personnel are responsible for helping to keep all work areas free from environmental, health and safety hazards. Questions about the proper safety procedures for work areas should be addressed to a

supervisor.

2. Comply with reporting requirements of the Company and government agencies regarding any event or condition required to be reported under state or Federal law or regulation relating to accidents, environmental contamination or material risk of contamination. The Company requires that accidents, injuries or potential hazards be promptly reported to a supervisor.

These subjects are described in greater detail in the Environmental Policy (last issued October 2002), which has previously been distributed to all Company personnel, copies of which are available upon request free of charge from the Company's law departments.

XI. EMPLOYMENT-RELATED PRACTICES

The following employment related guidelines must be carefully observed.

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 local or national laws.

Anti-Harassment

The Company is committed to maintaining a professional and collegial work environment in which all individuals are treated with respect and dignity. 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. Federal law defines sexual harassment as unwelcome sexual advances, requests for sexual favors, and/or other verbal, visual or physical conduct of a sexual nature where:

- (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- (2) submission to or rejection of such conduct by an individual is used as a basis for an employment decision affecting such an individual; or
- (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

All personnel are prohibited from offering, promising or granting preferential treatment to any employee or applicant for employment as a result of that individual's engaging in or agreeing to engage in sexual conduct. Likewise, all personnel are prohibited from using an employee's or applicant's refusal to engage in such conduct as a basis for an employment decision affecting that individual. An intimidating, hostile or offensive working environment may be created by such circumstances as pressure for sexual activities, unwanted and unnecessary physical contact with another employee, sexually suggestive body language or hand motions, verbal abuse of a sexual

nature, the inappropriate use of sexually explicit language or the display in the workplace of sexually suggestive objects or pictures.

Harassing behavior by Company employees is unacceptable whether in the work place or in any business-related setting outside the workplace, including, but not limited to, business trips, interaction with clients, vendors or customers and business-related social events.

Similarly, a racially hostile working environment may be created by such things as verbal abuse of a racial nature, the use of racially derogatory terms or the display in the work place of racially motivated objects or pictures. Other hostile work environments may be created by the use of epithets, slurs or derogatory terms based upon an employee's color, national origin, religion, gender, age or disability.

How to Report a Complaint

Any employee who believes that he or she has been a victim of harassment in any form by a supervisor, another employee of the Company, a vendor or other service provider, a customer or any employee or representative of a customer, or another visitor should report the incident to his or her supervisor, to the human resources department, the Company's law departments or the Corporate Compliance Helpline.

The Company will investigate all allegations of discrimination and harassment in as prompt and confidential a manner as possible and will take appropriate corrective action when warranted. Any person who is determined by the Company, as a result of such investigation, to have engaged in discrimination or harassment in violation of these Guidelines will be subject to appropriate disciplinary action, up to and including termination of employment.

Retaliation in any form against an employee or applicant who complains of discrimination or harassment is strictly prohibited and is itself cause for appropriate disciplinary action, up to and including termination.

The subjects of equal employment opportunity, discrimination and harassment are described in greater detail in the [Anti-Harassment Guidelines](#) (last issued December 1998) which have previously been distributed to all Company personnel, copies of which are available upon request free of charge from the Company's law departments.

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. The foregoing prohibitions include, but are not limited to, all types of firearms, concealed weapons, stun guns, switchblade knives, explosive devices or other objects carried for the apparent purpose of injuring or intimidating others but does not include mace, pepper spray or similar products in quantities and containers consistent with possession for personal protection, pocket knives, combination tools containing a knife or knives, knives intended for use in Company kitchen facilities or cutting devices necessary or convenient for the performance of employees' work. 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 the NACCO Corporate Compliance Counsel.

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.

The subject of workplace violence and weapons on Company premises are described in greater detail in the Workplace Violence and Weapons Policy (last issued October 2002) which has previously been distributed to all Company personnel, copies of which are available upon request free of charge from the Company's law departments.

Immigration Laws

It is the Company's policy to comply fully with the immigration laws and regulations of the countries where it has employees. Among the many laws and regulations are provisions requiring, among other things, that an employer obtain proper, specified documentation for all new or rehired employees. Violations can result in criminal and/or civil penalties. Moreover, even if proper documentation is presented, the law may be violated if the employer knows or has reason to know that a new or rehired employee is an unauthorized alien. Appropriate legal advice should be obtained to resolve any remaining questions about these legal requirements or about any other immigration law or regulation.

XII. IMPLEMENTATION

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. Nonetheless, 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 Helpline or by writing to the Corporate Compliance Counsel, listed 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 an employee or other person who in good faith reports a known or suspected violation of law or the Code.

Company	Country	Access Code	Helpline Number	Corporate Compliance Counsel
The North American Coal Corp.	United States	N/A	877-367-4448	Thomas A. Koza The North American Coal Corporation 14785 Preston Road, Suite 1100 Dallas, Texas 75254
NACCO Industries, Inc. Corporate Headquarters	United States	N/A	866-776-6940	Suzanne S. Taylor NACCO Industries, Inc. 5875 Landerbrook Drive Cleveland, Ohio 44124
The Kitchen Collection, Inc.	United States	N/A	866-708-1024	Kathleen L. Diller Hamilton Beach Brands, Inc. 4421 Waterfront Drive Glen Allen, Virginia 23060
Hamilton Beach Brands, Inc.	United States, Canada, Hong Kong & Guatemala	N/A	888-301-8670	Kathleen L. Diller Hamilton Beach Brands, Inc. 4421 Waterfront Drive Glen Allen, Virginia 23060
Hamilton Beach Brands, Inc.	Mexico	N/A	001-888-667-6801	
Hamilton Beach Brands, Inc.	Northern China	N/A	10-800-711-0774	
Hamilton Beach Brands, Inc.	Southern & Central China	N/A	10-800-110-0718	
NACCO Materials Handling Group	United States	N/A	800-514-6268	Charles A. Bittenbender NACCO Materials Handling Group, Inc. 650 NE Holladay Street, Suite 1600 Portland, Oregon 97232
NACCO Materials Handling Group	Australia	Telstra 1-800-881-011 Optus 1-800-551155	800-514-6268	
NACCO Materials Handling Group	Brazil	N/A	0800-891-4386	
NACCO Materials Handling Group	Canada	N/A	800-514-6268	
NACCO Materials Handling Group	Northern China	N/A	10-800-711-0682	
NACCO Materials Handling Group	Southern & Central China	N/A	10-800-110-0622	
NACCO Materials Handling Group	Germany	N/A	0800-181-2859	
NACCO Materials Handling Group	Hong Kong	800-96-1111 or 800-93-2266	800-514-6268	
NACCO Materials Handling Group	Denmark	8001-0010	800-514-6268	
NACCO Materials Handling Group	France (* See Addendum)	0800-99-0011	800-514-6268	
NACCO Materials Handling Group	Italy	N/A	800-787-825	
NACCO Materials Handling Group	Japan	KDD 00-539-111 IDC 00-665-5111 JT 00-441-1111	800-514-6268	
NACCO Materials Handling Group	Mexico	N/A	001-800-835-9790	
NACCO Materials Handling Group	Netherlands	N/A	0800-022-5971	
NACCO Materials Handling Group	Philippines	105-11	800-514-6268	
NACCO Materials Handling Group	Singapore	800-011-1111 800-001-0001	800-514-6268	
NACCO Materials Handling Group	Taiwan	00-801-102-880	800-514-6268	
NACCO Materials Handling Group	United Kingdom	0-800-89-0011 or 0-500-89-0011	800-514-6268	

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 employee's company.

Board of Directors

The Audit Review Committee of the Company's Board of Directors is ultimately responsible for assuring that the Company's business is conducted in accordance with the Code and applicable law, after it has been advised of any material alleged violations, or potentially non-compliance situations.

If willful violations are determined to have taken place, the Audit Review Committee of the Company's Board of Directors shall assure that the legal rights of individuals are protected, that the Company's legal obligations are fulfilled and that proper disciplinary and legal action is taken. The Audit Review Committee will further ensure that corrective measures and safeguards are instituted to prevent recurrence of violations.

All Directors will read the Code, these Guidelines and all applicable Addendums each year and will certify that they have conducted the Company's business in compliance with the Code and applicable law and have reported any known conduct by any director, officer or employee of the Company in violation of the Code or any law.

Officers, Managers and Employees

All officers and managers of the Company are responsible not only for reporting any 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 officers and selected other managers and employees will read the Code, these Guidelines and all applicable addendums each year and will certify that they have conducted the Company's business in compliance with the Code and applicable law, and have reported any known conduct by any director, officer or employee of the Company in violation of the Code or any law.

Auditors

The Company's internal and outside auditors are also responsible for promptly reporting any violations of law or the Code to the Audit Review Committee of the Company's Board of Directors or to appropriate corporate officers. Civil or criminal law enforcement authorities may also have to be notified in the event of violations of the law. Appropriate legal advice should be obtained, however, before any such notification is made. All reports of violations of law or the Code should be made in accordance with the procedures set forth in this Section XII.

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 employee's company.

Translation

Translations of the Code, these Guidelines and all applicable Addendums will be prepared, if necessary, to ensure that all employees are able to understand them completely.

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 Corporate Compliance Counsel who, if necessary, will consult with outside legal counsel for final determination.