

# **TITAN MACHINERY INC.**

## ***CODE OF ETHICS AND BUSINESS CONDUCT***

Adopted June 1, 2012

***To Our Employees, Officers, Consultants and Directors:***

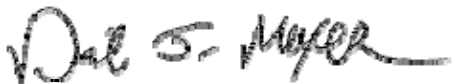
Ethical business practices provide a critical foundation for our success and protect our reputation in the industry and community. Integrity in the manner in which we manage and operate Titan Machinery Inc. and our subsidiaries ("Titan" or the "Company") is a key element in our corporate culture. We place a high value on honesty, fair dealing and ethical business practice.

The following Code of Ethics and Business Conduct (the "Code") is designed to help you understand what Titan expects of its employees, officers, consultants, and directors (collectively, "Representatives"). It does not cover every ethical issue, but the basics are here to help your general understanding. For all employees, compliance with the Code is a condition of employment. This Code supplements and does not replace or modify the Company's other policies or procedures, including provisions of Titan's current policy manuals and other statements of policy or procedure issued from time to time.

Ethical behavior is everyone's responsibility. You must show that responsibility by

- *Knowing and complying with the requirements and expectations that apply to your job, which includes following this Code.*
- *Promptly reporting suspected violations of law or the Code.*
- *Cooperating with any investigation of a potential ethics or business conduct violation.*
- *Seeking assistance when you have questions about Titan's Code or when faced with a challenging ethical situation.*
- *Never acting unethically, even if directed by another person to do so.*
- *Never retaliating against an individual because that individual has reported a suspected violation of the Code.*

If a potential course of action seems questionable, please seek guidance from our Compliance Officer. We encourage open communications regarding the possible violation of Titan's ethical principles and business practices.



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Chairman/Chief Executive Officer

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## ***Our Compliance Officer***

**Please contact our Compliance Officer with any questions or concerns you have regarding compliance with this Code.**

This Code is intended to provide general guidelines for the type of conduct expected of our Representatives, but it does not address all situations you may face. You are encouraged to contact our Compliance Officer with any questions you have about compliance with this Code:

Compliance Officer: Steve Noack  
Telephone: (701) 433-7076  
Email: [steve.noack@titanmachinery.com](mailto:steve.noack@titanmachinery.com)

In addition, you may anonymously report suspected violations of this Code or the law or any other concerns you have using our Compliance Hotline, which is discussed on page 9.

## ***Compliance with Laws and this Code***

**All Titan Representatives are expected and directed to comply with all laws and this Code.**

Each Representative has an obligation to behave according to ethical standards that comply with this Code, other Titan policies related to conduct and business practices, and the letter and spirit of applicable laws, rules and regulations. It is everyone's responsibility to know and understand legal and policy requirements as they apply to his or her Company responsibilities.

Representatives should promptly report all known or suspected violations of applicable law or this Code to our Compliance Officer or through an anonymous report to our Compliance Hotline, which is discussed on page 9.

## ***Accuracy of Company Records***

**Each officer and employee must help maintain the integrity of Titan's financial and other records.**

Management, directors, audit committee members, stockholders, creditors, governmental entities and others depend on Titan's business records for reliable and accurate information. Titan's books, records, accounts and financial statements must appropriately and accurately reflect Titan's transactions and conform to applicable legal requirements and Titan's system of internal controls. In particular, Titan is committed to full, fair, accurate, timely and understandable disclosure in all reports filed with the Securities and Exchange Commission (SEC) and all other

public communications. Each Representative is required to provide truthful, complete and timely information in support of this commitment.

There is no excuse for participating in the creation of—or not reporting the creation of—a deliberately false or misleading Titan record. In addition, an employee, officer or director must not destroy, alter, falsify or cover up documents with the intent to impede or obstruct any investigation of suspected wrongdoing.

Representatives must not participate in any misstatement of Titan's accounts, and they must avoid improper influence on the conduct of an audit. No circumstances justify the maintenance of "off-the-books" accounts. All arrangements or requisition contracts under which funds are disbursed shall accurately state the purposes for which these funds are paid and shall not be misleading.

Business records and communications often become public and you are expected to avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of individuals or companies that could be misunderstood. This obligation applies in any communication, including, but not limited to e-mail, internal memoranda and formal reports. Records are expected to be retained or destroyed according to Titan's record retention policies. In the event of litigation or governmental investigation you are expected to consult Titan's legal counsel concerning the records you hold.

### ***Inside Information***

**Never trade securities on the basis of confidential information acquired in the course of your Titan duties or while you are at the workplace.**

There are times when Representatives possess information about the Company, its subsidiaries or affiliates or about a company with which Titan does business that is not known to the investing public. Such "inside information" may relate to, among other things, strategies, plans of Titan, new products or processes, mergers, acquisitions or dispositions of businesses or securities, problems facing the Company, sales, profitability, negotiations relating to significant contracts or business relationships, significant litigation or financial information.

If any information is of the type that a reasonable investor would consider important in reaching an investment decision, the Representative who possesses such information must not buy or sell Company securities, nor provide the information to others, until such information becomes public. Use of material, non-public information in the above manner is not only illegal, but also unethical. Employees who directly or indirectly involve themselves in illegal insider trading may be subject to immediate termination by the Company, and an individual convicted of insider trading may face criminal penalties.

All Representatives must also read, become familiar with and comply with the Company's Policy Statement on Confidential Information and Securities Trading provided separately from this Code. All questions should be referred to our Compliance Officer.

**Do not share inside information.**

Both federal securities laws and our commitment to fair treatment of our stockholders require that important inside information be disclosed only through certain methods that are broadly available to the public and our stockholder base. Representatives must be careful not to disclose important inside information to friends and family, representatives of the media, securities analysts, or through social media. If you have inadvertently disclosed such information, or are aware that such information has been disclosed, please contact our Compliance Officer immediately.

***Conflicts of Interest***

**Each Representative must avoid any situation in which his or her personal interests conflict with or interfere with Titan's interests.**

All Representatives owe Titan a duty of loyalty. All Representatives must make business decisions solely in the best interests of Titan. Conflicts may arise when a Representative receives improper personal benefits as a result of the person's position with the Company or gains personal enrichment through access to confidential information. A conflict situation can also arise when a Representative takes actions or has interests that may make it difficult to perform his or her Titan work objectively and effectively. For that reason, all Representatives must exercise great care not to allow their personal interests to potentially conflict with Titan's interests. Each Representative shall act with honesty and integrity, avoiding actual or apparent conflicts of interest between personal and professional relationships.

Titan Representatives are generally free to engage in outside activities of their choice. It is important, however, that such activities do not adversely affect Titan's business, involve misuse of Titan position or resources, divert for personal gain any business opportunity from which Titan may profit, or constitute a potential source of discredit to the Titan name.

In the event that a conflict (or the appearance of a conflict) arises or is anticipated, a Representative must bring the matter to the attention of our Compliance Officer. The following is a non-exhaustive list of examples of prohibited conflicts of interest for Titan employees (unless approved by our Compliance Officer) and officers and directors (unless approved by our Board of Directors):

- Consulting with or employment in any capacity with a competitor or supplier of Titan.
- Having a substantial equity, debt or other financial interest in any significant competitor or supplier.
- Having a financial interest in any transaction involving the purchase or sale by Titan of any product, material, equipment, services or property outside the ordinary course of business.
- Misusing Titan's confidential or proprietary information, including the unauthorized disclosure or use of such information.
- Using materials, equipment or other assets of Titan for any unauthorized or undisclosed purpose.
- Receiving loans or guarantees of obligations from the Company.

### ***Company Opportunities***

**Do not use a Company opportunity for personal gain.**

Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Employees, officers and directors are prohibited (without the specific consent of the Board of Directors or an appropriate committee thereof) from (1) taking for themselves personally opportunities that are discovered through the use of company property, information or their position, (2) using company property, information or their position for personal gain, or (3) competing with the Company directly or indirectly.

### ***Antitrust Laws***

**All Representatives must comply with applicable antitrust laws.**

Federal and state antitrust laws have been enacted to protect the competitive system from collusion, coercion, deception and favoritism. These laws apply to nearly every phase of our operations. It is the duty of all Representatives having responsibilities in areas affected by antitrust laws to be sufficiently knowledgeable of such laws to avoid unlawful conduct and to identify unlawful conduct by third parties that may have a detrimental impact on Titan. Please consult our antitrust compliance manual or our Compliance Officer for further information on this subject.

## ***Political Contributions and Related Policies***

**Generally Titan's funds or resources may not be used to make a contribution to any political candidate or political party.**

Exceptions to this basic policy are allowed only where such contributions are permitted by law and permission is granted in advance by the Company's Chief Executive Officer, Compliance Officer or Board of Directors. Company policy does not permit the use of any Company facilities or resources by employees for political campaigning, political fundraising or partisan political purposes. A decision by an employee to contribute any personal time, money or other resources to a political campaign or political activity must be totally voluntary.

## ***Contact with Government Officials***

**Titan complies with all applicable laws, rules and regulations relating to lobbying or attempting to influence government officials.**

Bribery, kickbacks or other improper or illegal payments have no place in Titan's business. Representatives must never offer, give, or promise money or anything of value to an official or employee of a U.S. or foreign government, political party, or government-owned business, in order to obtain an improper business advantage. Representatives must not take any action in violation of the U.S. Foreign Corrupt Practices Act or the anti-corruption laws of any country.

In addition, information provided to governments must be accurate and interactions with government officials must be honest and ethical. All activities that might constitute lobbying or attempts to influence government officials must first be reviewed with and approved by legal counsel.

Before doing business with foreign, national, state or local government, an employee or officer must know the applicable rules. An employee who is in doubt, must not make the mistake of interpreting the rules by him or herself. Such an employee must discuss the matter with our Compliance Officer.

## ***Business Courtesies and Gratuities***

**Titan's policy is not to offer or accept kickbacks or bribes, or gifts of substantial value.**

Titan Representatives may only exchange non-monetary and modestly-valued gifts that promote goodwill with our business partners and do not improperly influence others. We will accept only approved and widely available discounts and do not encourage, accept or exchange gratuities or payments for providing services to others.



Business courtesies such as meals, transportation and entertainment provided to a customer must be reasonable in amount and related to a legitimate business purpose (e.g., explanation or demonstration of Titan products, application of products, service capabilities, or training). Such courtesies must not violate the law, regulations, reasonable customs of the market-place, or Titan's applicable policies. If you have any question about whether any business courtesies, gratuities or gifts are appropriate, please contact our Compliance Officer.

Business courtesies, gratuities, and gifts may not be offered to foreign government officials (including employees of government-owned businesses) except as permitted by law and approved in advance by our Compliance Officer.

### ***Intellectual Property and Confidential Information***

**Titan invests substantial resources in developing proprietary intellectual property and confidential information.**

Confidential information is information that is not generally known or readily available to others. It includes non-public information that might be of value to competitors if it were disclosed. It must not be shared with others outside Titan except pursuant to approved business relationships or when required by law. Confidential information includes, but is not limited to, intellectual property and trade secrets, business plans and information, marketing and sales programs and information, customer and prospective customer information and lists, pricing information and policies, financial information, and any other information which the Company deems confidential.

Every Representative is obligated to protect the Company's confidential information as well as that of its suppliers and third parties who disclose information to Titan in confidence. Titan Representatives must not accept confidential information from a third party, including competitors, unless specifically authorized to do so by an executive officer of the Company and following an appropriate grant of rights from such third party.

**It is our duty to maintain customer and employee privacy.**

Both customers and employees entrust Titan with their personal information in order to allow Titan to better serve them. Protecting the privacy of customer information is vital to our commitment to customer service. Moreover, protecting the privacy of employee personal information is critical to maintaining a productive workforce. In both cases, disclosure or use of private information may be a violation of the law in addition to violating this Code. Therefore, each Representative must know and comply with applicable policies for identifying, protecting, and destroying customer and employee personal information.

## ***Protection and Proper Use of Company Assets***

**Our stockholders trust us to manage Company assets appropriately.**

Collectively, Representatives have a responsibility for safeguarding and making proper and efficient use of the Company's assets. Each of us has an obligation to prevent the Company's property from loss, damage, misuse, theft, embezzlement or destruction. We seek to ensure that the Company equipment, supplies and other assets are used for legitimate business purposes unless otherwise specifically authorized, and to protect all tangible and intangible Company property.

## ***Fair Dealing with Competitors, Customers and Suppliers***

**Respect the rights of competitors, customers and suppliers.**

Titan's success depends on building productive relationships with our customers and suppliers based on integrity, ethical behavior and mutual trust. In addition, customers have individual needs and expectations representing unique opportunities for mutual success.

The Company bases its supplier relationships on fundamental concepts of integrity, fairness, and mutual respect.

Titan strives to outperform its competition fairly and honestly. Titan seeks and develops competitive advantages through superior performance, not through unethical or illegal business practice. Each Representative should endeavor to deal fairly with the Company's customers, suppliers and competitors. No one should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair dealing.

## ***Personal Behavior in the Workplace***

**Titan is committed to providing equal opportunity in employment and will not tolerate illegal discrimination or harassment.**

Titan strives to enhance and support the diversity of its employee group. All employees are expected to deal with each other in an atmosphere of trust and respect in a manner consistent with Titan's core values. Please refer to applicable portions of our Policy Manual for guidance related to personal behavior in the workplace.

**Representatives have a duty to ensure a safe environment for customers and other Representatives.**

Safety has an impact on all parts of our business, from customer satisfaction to employee productivity. We have many procedures and systems in place to ensure safety within our facilities, and each Representative must understand all safety procedures and systems applicable to the Representative. More importantly, each Representative must diligently comply with all applicable safety procedures, including reporting any unsafe conditions to a supervisor.

***Public Disclosure of Code and Waivers***

The existence and content of this Code will be disclosed to stockholders and is available on the Company's website. It is expected that waivers of this Code rarely, if ever, would be acceptable. Any waiver of a provision of this Code for executive officers or directors may be granted only by the Board of Directors, with only the independent members voting, or an appropriate Board Committee consisting of independent directors, and such waiver must be promptly disclosed to stockholders.

***Accountability for Adherence to this Code***

Each Representative must accept responsibility for adherence to this Code. Violations of this Code may lead to serious sanctions including, for an employee, discipline up to and including immediate termination, in the sole discretion of the Company. The Company may, in addition, seek civil recourse against an employee, officer or director and/or refer alleged criminal misconduct to law enforcement agencies.

***Reporting Any Suspected Illegal or Unethical Behavior***

***Titan maintains an open door policy and an anonymous telephone hotline for Representatives to raise concerns and to encourage the reporting of suspected violations of law or this Code without fear of retribution or retaliation.***

If you have questions about an ethical situation, you are encouraged to talk with our Compliance Officer about any behavior you believe may be illegal or unethical. You will be assured confidentiality, to the extent permitted by law. If you do not feel it is appropriate to discuss the issue with our Compliance Officer, Titan has established a hotline so that you can report concerns or potential violations anonymously (see below). Anonymous callers should supply detailed information to address the concern.

It is against the Company's policy to retaliate against any employee, officer or director for good faith reporting of a violation of this Code. If you feel you have

been retaliated against for good faith reporting, you should immediately contact our Compliance Officer or the Compliance Hotline.

## **COMPLIANCE HOTLINE**

We have established and maintain Compliance Hotlines, hosted by an independent provider for our Representatives to anonymously report suspected violations or incidents that he or she believes do not meet Titan's standards.

U.S. Representatives: Representatives based in the United States should call (877) 788-7727 or visit <http://titanmachinery.silentwhistle.com> to anonymously report known or suspected violations of applicable law or Titan's ethical principles on an anonymous basis.

European Representatives: To anonymously report known or suspected violations of applicable law or Titan's ethical principles, representatives based in Europe (other than Serbia and Romania) should call (001) 877-641-6015. Representatives in Serbia and Romania should call (001) 407-965-3659. In addition, representatives can visit <http://titanmachinery.silentwhistle.com>.

### ***Coordination with Other Titan Policies***

The provisions of this Code of Conduct are in addition to, and do not modify, replace or supersede, Titan's other policies or procedures including, but not limited to, those policies and procedures set forth in Titan's Policy Manual and Titan's other statements of policy or procedure, whether written or oral.

Additionally, this Code is not intended to be and does not constitute a contract of employment between Titan and its employees. If you are an employee and do not have an Employment Agreement with Titan, you are an employee at-will. This means that you have the option of resigning from your employment at any time, for any reason or no reason, with or without prior notice. Conversely, Titan has the same option to terminate your employment at any time, for any reason or no reason, with or without prior notice.

### ***Monitoring***

***Titan will periodically reaffirm its commitment to compliance with this Code.***

Titan intends to conduct periodic training sessions regarding this Code. In addition, Titan will periodically distribute copies of this Code and the Certification of Compliance card to each Representative to remind such persons of the contents of this Code as well as to reestablish their commitment to compliance with it.

**Please make sure you return your  
Certificate of Compliance**

## CERTIFICATE OF COMPLIANCE

**This Certificate must be read and signed by all employees, officers, consultants and directors.**

I certify that I have received, read and understood Titan Machinery Inc.'s Code of Ethics and Business Conduct. I understand what types of conduct violate these policies. I agree to comply with the terms of the Code and understand that if I am an employee, violation of these terms may result in discipline up to and including immediate termination of employment in the discretion of Titan Machinery Inc.

\_\_\_\_\_  
Employee, Officer, Consultant or Director Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Location

\_\_\_\_\_  
Printed Name

Return to:

\_\_\_\_\_  
Randy Johnson  
VP, Human Resources  
Titan Machinery Inc.  
644 East Beaton Drive  
West Fargo, ND 58078  
(701) 356-0130