

Anti-Corruption Policy

Purpose

Generac Holdings Inc. and its U.S. and foreign affiliates (together, "**Generac**") are committed to conducting business fairly, honorably, with integrity, and in compliance with all applicable laws. Bribes and corrupt payments are strictly prohibited.

Bribery is illegal and can expose Generac and its personnel to fines and other penalties, including imprisonment. The following is designed to educate Generac's directors, officers, and employees and to prevent misconduct. All Generac's directors, officers and employees must be familiar with and follow each of the requirements described in this Anti-Corruption Compliance Policy (the "**Policy**"). Agents, consultants, business partners, dealers, distributors and any other individuals or entities doing business on behalf of Generac also must comply with this Policy.

Generac requires compliance with its Code of Ethics and Business Conduct which sets forth expectations for ethical business conduct. Generally, all Generac's directors, officers and employees are to observe the highest standards of honesty, integrity, diligence, and fairness in all business activities. The purpose of this Policy is to amplify the Code of Ethics and Business Conduct with additional guidance regarding applicable anti-corruption laws.

Scope

Almost every country in the world prohibits bribery. Many laws around the world specifically prohibit bribery of foreign government officials, including the U.S. Foreign Corrupt Practices Act (the "**FCPA**") and the U.K. Bribery Act ("**UKBA**"). These laws impose severe fines, penalties, and imprisonment for violations. The thirty-eight signatories to the Organization for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business transactions ("**OECD Convention**") have adopted similar standards to criminalize the bribery of foreign government officials. As such, the prohibitions outlined in this Policy are representative of the prohibitions that Generac will encounter in a number of different regions and countries (collectively, all laws referred to as "**Anti-Corruption Laws**").

For purposes of this Policy, whether the recipient of any bribe or corrupt payment works in the public or private sector is irrelevant. This means that no Generac directors, officers, or employees will authorize, pay, promise, or offer to give anything to any individual or entity in order to influence that individual or entity improperly to act favorably towards Generac. Individuals covered by this Policy shall not request or authorize any third party to make any such payment, promise or offer. Such behavior constitutes bribery and is unacceptable business conduct wherever Generac conducts business.

Anti-Corruption Laws impose both criminal and civil liability on both corporations and individuals.

Importantly, this Policy cannot cover every situation or provide information on every law that may be applicable where Generac conducts business. If you are uncertain about any situation or request you should seek further guidance from your Legal Department.

General Prohibitions

Generac directors, officers, and employees, and all third parties acting on behalf of Generac as distributors, dealers, agents, representatives, consultants, and partners shall comply with the letter and spirit of the law. Consistent with these laws, Generac prohibits any bribes or corrupt payments made on its behalf.

To ensure compliance with this Policy, and consistent with Generac's Accounting Policies and procedures, Generac prohibits any "off-the-books" payments and any knowing falsification of Generac book and records to cover up any improper payment. This prohibition applies regardless of amount and includes the falsification of books and records to conceal commercial bribery and any other corrupt or improper payments.

Related Policies

Generac's Code of Ethics and Business Conduct Policy and Generac's Travel, Gifts and Entertainment Guidelines, contain provisions that impact the giving of gifts, gratuities, and business courtesies and should be consulted for additional guidance. Moreover, such items will be accurately reflected in the books and records of Generac in accordance with applicable accounting guidelines.

Definitions

Bribery and corruption have a range of definitions, but the fundamental principles apply universally. Acts of bribery and corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. The person being bribed is generally someone who will be able to obtain, retain, or direct business.

- Bribery is the offer, promise, giving, demanding or acceptance of anything of value as an inducement for an action which is illegal, corrupt, unethical or a breach of trust.
- Corruption is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

- "Anything of value" includes, but is not limited to cash, excessive entertainment, excessive meals, excessive or non-business related travel, gifts, business advantages, gratuities, or paying inflated prices to purchase a foreign official's property or services.

The FCPA (U.S. Foreign Corrupt Practices Act)

The FCPA prohibits bribery and corruption of foreign public officials and holds U.S. companies and their affiliates liable for failing to prevent such acts by those acting on its behalf, no matter where the act takes place.¹ It is Generac's Policy that all directors, officers, and employees of Generac and all third parties acting on behalf of Generac as distributors, dealers, agents, representatives, consultants, and partners will comply with the letter and spirit of the FCPA at all times.

Specifically, the FCPA prohibits U.S. companies and their agents, officers, and employees from offering or paying any money or gift to any foreign government official, or to any other person while knowing that the money or gift will be offered or given, directly or indirectly, to a foreign government official for the purpose of:

- Influencing any decision of the foreign government official, including a decision to fail to perform his/her lawful duty; or
- Inducing the foreign government official to use influence with the government or any of its instrumentalities to influence any decision of the government or its instrumentality, or to obtain any improper advantage; or
- Assisting a company in obtaining or retaining business.

The FCPA also requires Generac and its affiliates (U.S. and international) to keep books, records, and accounts in reasonable detail so that they accurately reflect transactions undertaken and to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurance that transactions are executed as authorized by management and recorded properly. There are no exceptions to these requirements. Generac has designed systems to provide reasonable assurances against accounting errors and fraud. Generac's directors, officers and employees may not take any steps to undermine these systems.

¹ Various U.S. state and federal laws prohibit private commercial bribery and bribery of U.S. government officials. For more information on those specific prohibitions, please contact Generac's Legal Department

The UKBA (U.K. Bribery Act)

The UKBA penalizes companies for failing to prevent bribery committed on their behalf and applies to all companies and individuals doing business in the United Kingdom. A company may violate the UKBA when a person associated with the organization commits an act or corruption with the intention of obtaining or retaining business or of obtaining or retaining an advantage in the conduct of business for the organization.

A company will be held strictly liable for failing to prevent bribery under the UKBA. The only defense is for the organization to show that it had adequate procedures in place to prevent bribery.

All agents, directors, officers, and employees of Generac must not offer, promise, request, accept or agree to receive a bribe in the course of any private or commercial arrangements to which Generac is a party. Under the UKBA, all Generac agents, officers and employees are also required to familiarize themselves with the company's anti-Corruption Policy and to comply with it strictly, including reporting any anti-corruption concerns via the appropriate channels.

Who is Covered?

Bribery and corrupt behavior can be committed by:

- Any employee, officer, or director;
- Any person acting on behalf of Generac, including third parties acting on behalf of Generac as distributors, agents, representatives, consultants, and partners.

Acts of bribery and corruption will commonly, but not always, involve public or government officials. A government official could be:

- Officers or employees of any local, provincial, or national government (for example, members of Parliament, police officers, firefighters, members of the military, tax authorities, customs inspectors, etc.);
- Directors, officers, representatives, agents, or employees of any government-owned or controlled business or company;
- Officers or employees of a public international organization (for example, the United Nations, International Olympic Committee, International Red Cross, World Bank, etc.);

- Individuals acting in any official capacity or on behalf of any government or public international organization (for example, an official advisor to a government);
- Officers or employees of a political party;
- Candidates for political office;
- Any close relatives (for example, parent, sibling, spouse, or child) of any of the above.

In addition, bribery and corruption may occur in the private commercial context. Commercial bribery can involve corrupt dealing with agents or employees of prospective commercial partners in order to secure an advantage over business competitors.

What May Constitute a Bribe?

Bribes can take many different shapes and forms, but they typically involve a "quid pro quo" – that is, the bribe will be offered or paid in exchange for some benefit. Bribes can be made by using anything of value, including:

- Cash, cash equivalents (e.g., gift checks) or loans;
- Payments for travel or entertainment;
- Favors, including offers of employment or internships;
- Gifts (e.g., watches, jewelry, use of club memberships);
- Donations to a charity affiliated with or sponsored by a government official;
- Political contributions.

Some examples of improperly influencing a government official include:

- The government official would not act if you did not make the gift, and you give a gift to increase the chances that the government official will take such action;
- The government official has a choice to act or not and makes a decision based on the gift.

Some examples of improper business advantage include when a government official:

- Overlooks a violation or tolerates non-compliance with applicable laws;
- Does not perform a task that should otherwise be performed (e.g., does not conduct a required inspection prior to issuing a permit);
- Reduces customs duties; grants a favorable tax treatment.

Examples of commercial bribery would include:

- Paying a kickback to a purchasing agent in order to cause that agent to choose to buy the company's products rather than those of a competitor by helping him secure a contract for company's continued business.
- Providing anything of value to an executive or officer of a business partner in order to cause that partner to conduct business with the company.

Government Officials - Hospitality, Promotion, and other Business Courtesies

Bona fide hospitality, promotional expenses and other business courtesies are not prohibited by this Policy to the extent that they are reasonable and proportionate. This includes hospitality expenses like meals and entertainment, promotional expenses like discounts on products and services not readily available to the general public, and business courtesies such as personal favors and token gifts. To the extent that such expenses are provided to customers and potential customers as a means of developing a legitimate relationship, they are considered to be reasonable and proportionate.

Generac prohibits its directors, officers, and employees from corruptly providing business courtesies of any value to any individual, including Government officials, in exchange for that individual taking some action that benefits Generac. Factors used to determine whether a particular business courtesy was offered "corruptly" in exchange for a business opportunity include the type and level of influence the recipient has over awarding business to Generac. Generally, the more lavish the hospitality or expensive the travel, accommodation, or entertainment, the greater the inference that such expenses were designed to influence action corruptly.

Because some of Generac's end-users and potential end-users are state-owned or state-controlled, business courtesies to these end-users, directly by Generac's directors, officers, and employees or even through Generac distributors or dealers, may implicate Anti-Corruption Laws. Generac must take care to ensure that business courtesies do not constitute a corrupt payment to individuals, including government officials, whose conduct may be governed by local laws and rules. With this in mind, legitimate and reasonable business courtesies consistent with the

Generac's Travel, Gifts and Entertainment Guidelines, may be provided by Generac's directors, officers, and employees to its end-users only if:

- The business courtesy is not a quid pro quo;
- The business courtesy is permitted by the U.S. and local laws governing both parties to the transaction, including any ethical codes; and
- The business courtesy is provided a transparent manner and not disguised from Generac or the recipient's supervisors or organization.

Generac's directors, officers and employees will never knowingly misrepresent the value of any business courtesy. Any questions regarding the propriety of specific business courtesies should be directed to your Legal Department.

Government Officials - Are Travel Expenses Permitted?

Paying for the travel and entertainment expenses of government officials also can be governed by the FCPA, the UKBA, and other U.S. and local laws. Reimbursement of reasonable and proportionate travel, food, lodging and other comparable expenses for government officials, party officials or candidates may be permissible provided that:

- The payment is not contrary to United States, local or other applicable laws;
- The payment is for bona fide expenses that relate directly to the demonstration or explanation of Generac services, or to the execution or performance of a contract with the foreign government or agency; and
- Any travel expenses must actually relate to a legitimate business purpose. For example, Generac will not pay for travel expenses to locations where it does not conduct business.

In general, meals with, and entertainment of, government officials, party officials or candidates, must be appropriate and consistent with Generac's Travel, Gifts and Entertainment Guidelines. In order to ensure compliance with applicable laws, use of the funds or assets of Generac or any subsidiary, directly or indirectly, to pay travel expenses, directly or indirectly, must be approved in advance by the relevant General Manager and your Legal Department.

Facilitating Payments

In some countries where Generac conducts business, it may be local practice for businesses to make payments of nominal value to low-level Government officials in order to expedite of

"facilitate" routine government actions over which such Government officials have no discretion. Examples of routine, non-discretionary actions may include providing police protection, granting visas or utility services, or clearing customs. Such payments are called 'facilitating payments.'"

Facilitation payments, whether legal or not, are prohibited by this Policy.

The circumstances under which Generac would make an exception to this Policy are rare. Generac's General Counsel must be consulted and written authorization must be obtained before any such payments are made.

Third Party Representatives

The definition of third-party representative is broad, and could include agents, distributors, dealers, consultants, and joint-venture partners. Third-parties who act on Generac's behalf must operate at all times in accordance with this Policy. The FCPA and many other laws prohibit the payments of bribes directly by Generac and through third parties such as consultants, agents, and other representatives. Accordingly, special care and due diligence must be exercised around the retaining of consultants, agents and other third party representatives who assist Generac. It is imperative that Generac knows and keeps track of the third parties with whom it does business and through whom it offers its services.

Accordingly, it is Generac Policy that:

- Third party representatives are selected solely on the basis of merit;
- Third party representatives may not be retained to do things that are prohibited by this Policy or Generac's Code of Ethics and Business Conduct;
- Each third-party representative will be carefully selected and evaluated before being retained by Generac;
- No oral agreements or arrangements will be made with any third-party representative, and written arrangements with third-party representatives must be reviewed and pre-approved by the Legal Department;
- All agreements or contracts with foreign third parties will contain language requiring compliance with applicable laws, including specifically the FCPA;
- Commissions, compensation, reimbursement, and other payments to foreign representatives will be customary and reasonable in relation to the services provided and will be properly reflected in Generac's records, books of account and financial statements;

- No payments to foreign representatives may be made in cash, to third persons, or to bank accounts that are not in the third-party representative's name;
- Payments to third-party representatives may be made only in the country where the third- party representative resides or where the services are rendered;
- Arrangements with third-party representatives must be reviewed regularly to ensure that they are in strict compliance with this Policy.

Political Contributions

You may not, directly, or indirectly, on behalf of Generac or for any purpose related to Generac's business, make any political contributions in any country without the prior written approval of Generac's General Counsel.

In certain countries, political contributions are lawful and expected as a matter of good corporate citizenship. Under these circumstances, contributions may be appropriate if prudent in amount and otherwise consistent with the exercise of good judgment. The laws governing political contributions are typically complex, can be difficult to interpret, and can be construed as corrupt payments, if not handled properly. In order to ensure compliance with applicable laws, use of the funds or assets of Generac or any subsidiary, directly or indirectly, to make political contributions directly or indirectly, must be approved in advance by Generac's General Counsel.

Red Flags for Suspicious Circumstances

Generac and its directors, officers and employees can be liable for indirect offers, promises or payments if such offers, promises, or payments are made through an agent, joint venture partner or other third party intermediary with the knowledge that the payment is corrupt. Under the FCPA, guilty knowledge can be proven by evidence of unwarranted obliviousness or "willful blindness" to any action (or inaction), language or other signaling device that should reasonably alert you to the high probability of an FCPA violation. Generac directors, officers and employees may not ignore circumstances that would suggest that an otherwise legitimate payment is being used for corrupt purposes or bribery. Accordingly, Generac's directors, officers and employees should be on alert for any "red flags" that might suggest an increased likelihood that a business transaction involves a bribe or corruption.

Among the red flags that should raise particular concern are:

- A history of corruption in the country, locality, or industry;

- Unusual payment patterns or financial arrangements, including payments outside the country to third parties, or to business addresses or accounts inconsistent with a representative's address or account;
- Refusal to include anti-corruption provision in a contract;
- Commissions that are unusually high or suspiciously structured;
- An apparent lack of qualifications or resources in a consultant retained to obtain government approval;
- Family ties or other recommendations from government officials in hiring a consultant or other corporate representative.

This is not an exhaustive list, as suspicious circumstances can take many forms. Ignoring red flags can give rise to a presumption that the person making the payment acted in reckless disregard of violating applicable laws, including the FCPA. Any directors, officers and employee that suspects a transaction might involve corrupt payments should immediately report that fact to the Legal Department.

Education and Monitoring

Generac has implemented and maintains program to provide ongoing Anti-Corruption Laws education and training to Generac employees, officers, directors and representatives and a program to actively monitor compliance with this Policy and the Anti-Corruption Laws by all Generac employees, officers, directors, and representatives. Generac employees, officers, directors, and representatives are required to participate in all mandatory education and training sessions and procedures.

Compliance

Compliance with this Policy is mandatory and is vital to the business interests of Generac. Every Generac director, officer and employee, associate and third party representative is obligated to:

- Learn, understand, and comply with the requirements of this Policy;
- Apply the requirements of this Policy to the performance of all job related responsibilities and activities;
- Monitor compliance with this Policy by agents, consultants, distributors, dealers, sales representatives, joint venture partners and other third party representatives;

- Maintain and retain any specific required evidence of compliance, such as receipts;
- Report any violation of this Policy via management, the General Counsel the Legal Department, the Chair of the Audit Committee, or internal audit. To the extent required and if permitted by local laws, subject to and in accordance with Generac's Whistleblower Policy, confidential and anonymous mechanisms for reporting relevant and detailed concerns are available, consider in particular Generac's whistleblower hotline - **+1 (877) 778-5463** or www.reportit.net – **Username: Generac, Password: gnrc (local country numbers also available)**. However, anonymous reporting may not serve to satisfy a duty to disclose your own potential involvement in a conflict of interest or in unethical or illegal conduct. The confidential and anonymous reporting mechanism shall not be used in bad faith or for any illegal purposes.
- Cooperate fully in any audit or investigation related to possible policy violations.

Managers and supervisors have an additional responsibility to:

- Ensure that subordinates know and understand this Policy;
- Take affirmative steps to prevent violations and retaliation;
- Establish proactive methods to determine if violations have occurred;
- Assure that any director, officer, or employee who reports a suspected violation is protected from retaliation.
- Regular and formal certification of compliance with the requirements of this Policy will be requested.
- Report all claims of suspected violations to your Legal Department.

Violations and Discipline

Any director, officer or employee of Generac who violates this Policy, conceals, or destroys evidence of anyone else's violation or withholds information from or refuses to cooperate with an investigation of a possible violation will be subject to appropriate discipline, up to and including termination of employment, in accordance with the applicable national collective bargaining agreements and upon duly execution of the statutory disciplinary procedure.

Contacting the Legal Department

In addition to the above requirements, any director, officer or employee of Generac who has any indication that a director, officer, employee, agent, representative or business partner of Generac has violated or may violate this Policy or any Anti-Corruption Laws, or who has any indication that an individual or entity that will conduct business on behalf of Generac is in the process of being retained in a manner that violates this Policy, must immediately report this information to Generac's Legal Department. Failure to report such information is cause for disciplinary action against the director, officer, or employee up to and including termination, subject to applicable domestic laws and regulations.

Any questions regarding this Policy or anti-bribery and anti-corruption laws should be directed to the Legal Department.