

**CORPORATE
CODE OF CONDUCT
(as revised and restated
May 21, 2013)**

NATIONAL PRESTO INDUSTRIES, INC.
AND ITS SUBSIDIARIES
Corporate Code of Conduct

I. INTRODUCTION

We at National Presto Industries, Inc. (“NPI”) are committed to the highest standards of business conduct in our relationships with each other and with our customers, suppliers and shareholders. Building trust, respect and integrity into all that we do is everybody’s business. Our constituencies’ loyalty and confidence depend upon our ability to incorporate good business practices and ethical standards into our daily decisions, actions, and interactions. This requires that we conduct our business in accordance with all applicable laws and regulations and in accordance with the highest standards of business ethics. We intend that this Corporate Code of Conduct (the “Code”) help each of us in this endeavor by providing a statement of the fundamental principles and key policies and procedures that govern the conduct of our business.

This Code applies to NPI and all of its subsidiaries (together, the “Company”). Any reference to the Company in this Code includes NPI and all the subsidiary companies of NPI. All Company employees (which for purposes of the Code include all full-time, part-time, contract and temporary employees) must abide by the Code, and all directors and independent contractors must abide by the Code to the extent that they are carrying out their duties with respect to us. Our subsidiaries and business units may separately impose conduct requirements on employees which are in addition to those in this Code. The Code cannot and is not intended to cover every applicable law or provide answers to all questions that might arise. For that, we must ultimately rely on each person’s good sense of what is right, including a sense of when it is proper to seek guidance from others on the appropriate course of conduct. Our business reputation depends on the Company and its employees for integrity and principled business conduct.

The basic principles reflected in this Code are as follows:

- We will be truthful.
- We will adhere to the letter and spirit of all applicable laws, rules, and regulations.
- We will provide high-quality products and services.
- We will be a good corporate citizen by obeying the laws and conforming to locally accepted standards of good corporate citizenship wherever we do business.
- We will promote and sustain a work environment that fosters mutual respect, openness and individual integrity.

These basic principles should serve as a guide in conducting your activities on behalf of the Company. In this regard, you should be especially alert and sensitive to situations that might compromise your credibility, integrity, or relationship with our customers, suppliers, and shareholders. In most cases, it is easy to apply our basic principles to business situations.

Occasionally, however, you may feel uncomfortable or uncertain, in which case, please discuss your questions with one or more of the following individuals: your supervisor or division head, a representative from human resources, or the Legal Department.

II. CONFLICTS OF INTEREST

We expect you to dedicate your best efforts to our business and to make decisions that affect the Company based on its best interests, independent of outside influences.

A “conflict of interest” occurs when an individual’s private interest interferes in any way, or even appears to interfere, with the interests of the Company as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position with us.

We prohibit employees, officers and directors from causing conflicts of interest with the Company. We also prohibit employees, officers and directors from (a) taking for themselves personal opportunities that they discover through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Company.

Officers and employees must avoid situations that might result in a conflict or appearance of a conflict between their personal interests and the interests of the Company. We prohibit all personnel who deal with suppliers, licensees or persons contracting or doing business with us, or their supervisors, from realizing any personal profit or gain as the direct or indirect result of such dealings. No officer or employee, or their immediate family members, may directly or indirectly have a financial interest in any concern doing or seeking to do business with us, or which is competitive with us. However, officers, employees or members of their immediate families may own, directly or indirectly, securities regularly traded in the open market of such concerns, providing such ownership could not reasonably be expected to influence the performance of the officer or employee. No officer, employee or member of their immediate families may accept loans, gifts of more than token value, excessive entertainment or other substantial favors from any such concern.

III. PROTECTION OF ASSETS AND CONFIDENTIAL INFORMATION

We each have a duty to protect our assets and ensure their efficient use. We prohibit the use of any Company funds or assets for any unlawful purpose. You should use all Company assets as authorized by your manager or supervisor, and then only for legitimate business purposes. When you leave the Company, you must return all Company property to us.

During your employment, you may learn facts about our business, plans, operations or “secrets of success” that the general public or competitors do not know. Sensitive information

such as new products, new products ideas, customer data, the terms offered or prices charged to particular customers, marketing or strategic plans, product specifications and production techniques are examples of our confidential information or trade secrets. Confidential information includes all nonpublic information that might be of use to competitors, or be harmful to us or our customers, if disclosed. You may also learn about possible transactions with other companies or receive confidential information concerning other companies or individuals, such as our customers, which we may be under an obligation to maintain as confidential.

You must maintain the confidentiality of information entrusted to you by the Company or our customers, both during your employment and after you leave the Company, except when disclosure is authorized or legally mandated. If you are uncertain as to whether disclosure of information is permissible or required, please consult with your supervisor or division head, the Legal Department or our Corporate Governance Official prior to disclosing the information.

We remind you that all email, voicemail and files (including personal files) stored on Company computers are Company property. Even personal messages on our e-mail and voicemail systems are Company property. You should therefore have no expectation of personal privacy in connection with these resources. We may, from time to time and at our sole discretion, review any files stored or transmitted on its computer and communication resources, including e-mail messages, for compliance with Company policy.

V. FAIR DEALING

Each employee, officer, and director should endeavor to deal fairly with our customers, suppliers, competitors, employees, and government officials. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

VI. COMPLIANCE WITH LAWS

We are all responsible for complying with applicable international, federal, state and local laws and regulations that relate to our business. In particular, we prohibit you from buying or selling NPI Common Stock or other securities of the Company at a time when you are in possession of material nonpublic information, conduct known as “insider trading.” Passing such information on to someone who may buy or sell securities – known as “tipping” – is also illegal. Information is “material” if there is a substantial likelihood that a reasonable investor would find the information important in determining whether to buy or sell the security. We consider information as nonpublic unless we have publicly disclosed it and adequate time has passed for the securities markets to digest the information. Additional restrictions relating to securities trading apply to our directors and executive officers. If you have questions concerning insider trading or our policy regarding this subject, please contact our Legal Department.

VII. CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

Our Chief Executive Officer and Chief Financial Officer (together, the “Senior Officers”) perform management tasks that are critical to us. As Senior Officers, you must comply with the other provisions of this Code and applicable laws, rules, and regulations. You also have leadership responsibilities with respect to demonstrating high ethical standards and commitment to compliance, fostering a work environment that encourages employees to raise concerns and promptly addressing employee compliance concerns identified to you.

VIII. ENFORCEMENT OF THIS CODE

While each of us is individually responsible for putting the Code to work, we need not go it alone. The Company has a number of resources, people and processes in place to answer your questions and guide you through difficult decisions. If you have questions regarding any of the policies discussed in the Code or if you are in doubt about the best course of action in a particular situation, please seek guidance from your supervisor or division head, the Corporate Governance Official, or any of the other resources identified in this Code.

Immediately report all potential or suspected violations, including by any Senior Officer, of applicable laws, regulations, the Code or our related policies to your supervisor or division head, the human resources manager, the internal auditor, the Legal Department or our Corporate Governance Official. You may also use our independent Whistleblower Hotline at 1-888-292-9317 and remain anonymous if you desire. No matter how you report, the person contacted will promptly bring the potential or suspected violation of the Code to the attention of our Corporate Governance Official. In appropriate circumstances, our Corporate Governance Official will bring the matter to the attention of our Audit Committee. **No one will subject you to retaliation because of a good faith report of suspected misconduct.**

We will appropriately investigate all reported potential and suspected violations and treat them confidentially to the extent reasonably possible. It is imperative that reporting persons not conduct their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and the Company.

We intend to use every reasonable effort to prevent the occurrence of conduct not in compliance with this Code and to halt any such conduct that may occur as soon as reasonably possible after its discovery. We expect all employees to cooperate fully in the investigation of any suspected non-compliance with this Code. Company employees, including Senior Officers, who violate this Code and other Company policies and procedures may be subject to disciplinary actions, up to and including termination.

We may waive application of the policies set forth in this Code only where circumstances warrant granting a waiver, and then only in conjunction with any appropriate monitoring of the particular situation. Generally, only our Corporate Governance Official may waive compliance

with the Code. However, only our Board of Directors, as a whole, or our Audit Committee, may approve a waiver of the Code for executive officers (other than our Senior Officers) or directors. Only our Audit Committee may approve a Code waiver for a Senior Officer.

IX. ADDITIONAL MATTERS

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of our business. It is not intended to and does not create any rights in you or in any director, officer, employee, client, supplier, competitor, shareholder or any other person or entity.

This Code does not, in any way, constitute an employment contract or an assurance of continued employment. All employees of the Company are employed at-will except when covered by an express written employment agreement. This means that you may choose to resign your employment at any time, for any reason or for no reason at all. Similarly, we may choose to terminate your employment at any time, for any legal reason or for no reason at all.