



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

### **Introduction**

This Code of Business Conduct and Ethics (the “Code”) sets forth legal and ethical standards of conduct for directors, officers and employees of American Superconductor Corporation (the “Company”). This Code is intended to deter wrongdoing and to promote the conduct of all Company business in accordance with high standards of integrity and in compliance with all applicable laws and regulations. This Code applies to the Company and all of its subsidiaries and other business entities controlled by it worldwide. In addition, it offers guidance on how we work together to exceed customer and shareholder expectations and to collaborate with our suppliers, vendors, and others. The Code is not intended to address all potential issues that could arise; rather the intention is to provide a framework to guide you in conducting yourself in a manner consistent with our values.

### **Reporting Violations of this Code**

Every employee, officer and director has the responsibility to ask questions, seek guidance, report suspected violations and express concerns regarding compliance with this Code. Any employee, officer or director who knows or believes that any other employee or representative of the Company has engaged or is engaging in Company-related conduct that violates applicable law or this Code should report such information to his or her manager. If, for any reason, you are uncomfortable discussing these matters with your immediate manager or if there is any emergency situation, you should contact one of the following individuals listed below under the Contact Information section.

There could come a time when you encounter a situation that may not fall precisely within what is stated in the guidelines of this Code. If you observe or suspect any sort of violation to our Company policies or our Code or have specific questions about interpreting the Code, consult with your manager or any of the individuals listed below under the Contact Information section. When faced with a dilemma, it is prudent to seek guidance. Violations extend beyond ethical concerns, so remember any type of violation – financial, harassment, discrimination, etc. – needs to be reported.



## *Contact Information*

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## ***Employee Hotline***

In addition to the individuals noted in the section titled “Reporting Violations of this Code”, you may also contact our Employee Hotline, which is accessible via the phone or the Company’s Intranet and allows for anonymous reporting of ANY kind of violation, and is operated by an independent third party. All reports are taken seriously, treated with confidentiality, and each matter will be looked into such that appropriate action can be taken. You can report violations anonymously through the following methods:

**Toll Free Hotline:** (888) 883-1499

**International Callers:** 01 (203) 227-1908 (collect calls accepted)

**Intranet Access:** Company’s Intranet (<http://oneamsc/SitePages/Ethics%20Hotline.aspx>)

What to expect when you report a violation:

- Your concern will be treated seriously and fairly.
- You will be treated with dignity and respect.
- You do not need to identify yourself.
- Your communication will be kept confidential regardless of whether or not you identify yourself.
- If your concerns are not resolved at the time you report the violation, you will be informed of the outcome if you have provided a means to be contacted or have otherwise identified yourself.

## ***Reporting and Compliance Procedures***

You may report such conduct openly or anonymously without fear of retaliation. The Company will not discipline, discriminate against or retaliate against any employee who reports such



conduct, unless it is determined that the report was made with knowledge that it was false. The Company also will not discipline, discriminate against or retaliate against any employee who cooperates in any investigation or inquiry regarding such conduct. Any manager who receives a report of a violation of this Code must immediately inform the Corporate Compliance Officer.

If a report of an alleged violation of this Code is received, the Corporate Compliance Officer and/or Chairman of the Audit Committee of the Board, as appropriate, will (a) evaluate such information, (b) inform the Chief Executive Officer and Board of Directors of the alleged violation if the alleged violation involves an executive officer or a director, (c) determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, initiate such inquiry or investigation, and (d) report the results of any such inquiry or investigation, together with a recommendation as to disposition of the matter, to the Chief Executive Officer for action, or if the alleged violation involves an executive officer or a director, report the results of any such inquiry or investigation to the Board of Directors or a committee thereof. Employees, officers and directors are expected to cooperate fully with any inquiry or investigation by the Company regarding an alleged violation of this Code. Failure to cooperate with any such inquiry or investigation may result in disciplinary action, up to and including discharge.

The Company shall determine whether violations of this Code have occurred and, if so, shall determine the disciplinary measures to be taken against any employee who has violated this Code. In the event that the alleged violation involves an executive officer or a director, the Chief Executive Officer and the Board of Directors, respectively, shall determine whether a violation of this Code has occurred and, if so, shall determine the disciplinary measures to be taken against such executive officer or director.

Failure to comply with the standards outlined in this Code may result in disciplinary action including, but not limited to, reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, discharge and restitution. Certain violations of this Code may require the Company to refer the matter to the appropriate governmental or regulatory authorities for investigation or prosecution. Moreover, any supervisor who directs or approves of any conduct in violation of this Code, or who has knowledge of such conduct and does not immediately report it, also will be subject to disciplinary action, up to and including discharge.

### ***Compliance with Laws, Rules and Regulations***

The Company requires that all employees, officers and directors comply with all laws, rules and regulations applicable to the Company wherever it does business. You are expected to use good judgment and common sense in seeking to comply with all applicable laws, rules and regulations and to ask for advice when you are uncertain about them.

If you become aware of the violation of any law, rule or regulation by the Company, whether by its officers, employees, directors, or any third party doing business on behalf of the Company, it



is your responsibility to promptly report the matter to your manager or the contacts listed in the “Reporting Violations” and “Employee Hotline” sections of this Code. While it is the Company’s desire to address matters internally, nothing in this Code should discourage you from reporting any illegal activity, including any violation of the securities laws, antitrust laws, environmental laws or any other federal, state or foreign law, rule or regulation, to the appropriate regulatory authority. Employees, officers and directors shall not discharge, demote, suspend, threaten, harass or in any other manner discriminate or retaliate against an employee because he or she reports any such violation, unless it is determined that the report was made with knowledge that it was false. This Code should not be construed to prohibit you from testifying, participating or otherwise assisting in any state or federal administrative, judicial or legislative proceeding or investigation.

### ***Conflicts of Interest***

Employees, officers and directors must always act in the best interests of the Company. You must refrain from engaging in any activity or having a personal interest that presents a “conflict of interest,” real or perceived. A conflict of interest occurs when your personal interest interferes, or appears to interfere, with the interests of the Company. A conflict of interest can arise whenever you, as an officer, director or employee, take action or have a personal interest that influences or inhibits your ability to perform your Company duties and responsibilities with complete honesty, objectivity and effectiveness.

For example:

- No employee, officer or director shall perform services as a consultant, employee, officer, director, advisor or in any other capacity for, or have a financial interest in, a competitor of the Company, public or private, other than services performed at the request of the Company and other than a financial interest representing less than one percent (1%) of the outstanding shares of a publicly-held company; and
- No employee, officer or director shall use his or her position with the Company to influence a transaction with a supplier or customer in which such person has any personal or financial interest.

It is your responsibility to disclose any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest to your manager or the contacts listed in the “Reporting Violations” and “Employee Hotline” sections of this Code, or, if you are an executive officer or director, to the Chairman of the Audit Committee of the Board of Directors, who shall be responsible for determining whether such transaction or relationship constitutes a conflict of interest.



## ***Insider Trading***

Employees, officers and directors who have material non-public information about the Company or other companies, including our suppliers and customers, as a result of their relationship with the Company are prohibited by law and Company policy from trading in securities of the Company or such other companies, as well as from communicating such information to others who might trade on the basis of that information. To help ensure that you do not engage in prohibited insider trading and avoid even the appearance of an improper transaction, the Company has adopted an Insider Trading Policy, which is available on the Company's Intranet.

If you are uncertain about the constraints on your purchase or sale of any Company securities or the securities of any other company that you are familiar with by virtue of your relationship with the Company, you should consult with the General Counsel before making any such purchase or sale.

## ***Confidentiality***

Employees, officers and directors must maintain the confidentiality of confidential information entrusted to them by the Company or other companies, including our suppliers and customers, except when disclosure is authorized by a supervisor or legally mandated. Unauthorized disclosure of any confidential information is prohibited. Additionally, employees should take appropriate precautions to ensure that confidential or sensitive business information, whether it is proprietary to the Company or another company, is not communicated within the Company except to employees who have a need to know such information to perform their responsibilities for the Company.

Third parties may ask you for information concerning the Company. Subject to the exceptions noted in the preceding paragraph, employees, officers and directors (other than the Company's authorized spokespersons) must not discuss internal Company matters with, or disseminate internal Company information to, anyone outside the Company, except as required in the performance of their Company duties and, when appropriate, after a confidentiality agreement is in place.

This prohibition applies particularly to inquiries concerning the Company from the media, market professionals (such as securities analysts, institutional investors, investment advisers, brokers and dealers) and security holders. All responses to inquiries on behalf of the Company must be made only by the Company's authorized spokespersons. If you receive any inquiries of this nature, you must decline to comment and refer the inquirer to your manager or one of the Company's authorized spokespersons. These spokespeople and the Company's policies with respect to public disclosure of internal matters are described more fully in the Company's Corporate Disclosure Policy, which is available on the Company's Intranet.



You also must abide by any lawful obligations that you have to your former employer. These obligations may include restrictions on the use and disclosure of confidential information, restrictions on the solicitation of former colleagues to work at the Company and non-competition obligations.

The Company's policies with respect to the protection of confidential information are described more fully in the Company's Policy on Information Protection, which is available on the Company's Intranet.

### ***Honest and Ethical Conduct and Fair Dealing***

Employees, officers and directors should endeavor to deal honestly, ethically and fairly with the Company's suppliers, customers, competitors and employees. Statements regarding the Company's products and services must not be untrue, misleading, deceptive or fraudulent. You must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

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

Employees, officers and directors should seek to protect the Company's assets. Theft, carelessness and waste have a direct impact on the Company's financial performance. Employees, officers and directors must use the Company's assets and services solely for legitimate business purposes of the Company and not for any personal benefit or the personal benefit of anyone else.

Employees, officers and directors must advance the Company's legitimate interests when the opportunity to do so arises. You must not take for yourself personal opportunities that are discovered through your position with the Company or the use of property or information of the Company.

### ***Gifts and Gratuities***

The use of Company funds or assets for gifts, gratuities or other favors to employees or government officials is prohibited, except to the extent such gifts are in compliance with applicable law, insignificant in amount and not given in consideration or expectation of any action by the recipient.

Employees, officers and directors must not accept, or permit any member of his or her immediate family to accept, any gifts, gratuities or other favors from any customer, supplier or other person doing or seeking to do business with the Company, other than items of insignificant value. Any gifts that are not of insignificant value should be returned immediately and reported to your supervisor. If immediate return is not practical, they should be given to the



Company for charitable disposition or such other disposition as the Company, in its sole discretion, believes appropriate.

Common sense and moderation should prevail in business entertainment engaged in on behalf of the Company. Employees, officers and directors should provide, or accept, business entertainment to or from anyone doing business with the Company only if the entertainment is infrequent, modest and intended to serve legitimate business goals.

Bribes and kickbacks are criminal acts, strictly prohibited by law. You must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world.

### ***Political Contributions***

The Company's policy is to comply strictly with all applicable and valid laws and regulations relating to the making of corporate political contributions. No political contributions for any candidate for Federal office may be made for or on behalf of the Company by any Company employee.

Even in those jurisdictions where corporate contributions are legal, no employee is authorized to make any political contribution, including the purchase of tickets to raise political funds and the furnishing of any goods or service, for or on behalf of the Company unless it has been cleared in accordance with established corporate procedures and has been reviewed and approved by the Company's General Counsel.

Monetary contributions so approved shall be made only by corporate check payable to the candidate or political committee in question.

The Company believes that it is inadvisable to become involved in the internal political affairs of a foreign country. Accordingly, neither the Company nor any of its employees may make a foreign political contribution for or on behalf of the Company.

The Company encourages its employees at all levels to exercise their rights of citizenship by voting, making personal political contributions if they wish to do so with their own funds, and by being otherwise politically active in support of candidates or parties of the employee's own personal selection.

Such political activity by the Company's employees must be engaged in strictly in their individual and private capacities as responsible citizens, and not on behalf of the Company. No Company employee may receive any direct or indirect reimbursement or offsetting refund of any nature with respect to political contributions made by them in any form.



### ***Engaging Consultants and Other Third Parties***

There are times when business needs arise in the activity for obtaining consultant or third-party assistance. When engaging this type of assistance, you must not retain a third party representative to conduct business in a manner that is contrary to the business practices of our Company. The actions of our consultants and any other type of third parties reflect on our Company's reputation. We cannot retain these third parties for the purpose of paying bribes, obtaining the proprietary data of the third party without authority, or improperly gaining insider information. Any consultant or third party that we engage must certify their willingness to comply with this Code and any other applicable company policies.

In addition, you are personally responsible for seeking guidance from the Legal Department prior to engaging in consultant or third party work for other companies.

### ***Ethical Business Practices Outside of the United States***

Our Company's commitment to sound ethical practices applies to all of our global operations. Any sort of bribery, violation of export laws, and participation in inappropriate business conduct will not be tolerated. Unless prohibited by U.S. law, you are responsible for complying with the national and local laws of the countries in which the Company operates. In the event you encounter a conflict, or potential conflict, with local and/or U.S. law, you must consult with our Corporate Compliance Officer.

### ***Foreign Corrupt Practices Act***

The United States Foreign Corrupt Practices Act of 1977 prohibits United States companies, their subsidiaries, affiliates, stockholders, directors, agents, officers and employees (wherever located) from the payment of or authorization of the giving or offering of anything of value (including travel or entertainment), directly or indirectly, to a foreign official for the purpose of:

- influencing any act or decision of such foreign official;
- inducing such foreign official to use his/her influence;
- securing any improper advantage; or
- to assist in obtaining business for or directing business to any person.

A "foreign official" is any person acting in an official capacity on behalf of a foreign government, agency, department or instrumentality, including state-owned enterprises. Also included under the term "foreign official" are foreign political parties and officials thereof, candidates for foreign political office or representatives thereof, and officials of public international organizations, such as the World Bank.



The Foreign Corrupt Practices Act has a narrow exception for facilitation or “grease” payments. Such payments must be small (typically not more than \$100) and must be made to a low-level official performing a purely ministerial duty, such as processing government papers, hooking up phone service or similar tasks.

Under the accounting standards provision of the Foreign Corrupt Practices Act, all payments, including facilitation payments, must be properly recorded in the Company’s accounts. Recording of payments in any way that would conceal their true nature would be a violation of the Foreign Corrupt Practices Act accounting standards. No fictitious invoices, documents, etc. shall be involved in any such transaction. No accounting record or document shall be falsified in any manner that may obscure or disguise the true nature of the transaction.

State and local laws, as well as the laws of many other countries, also prohibit various forms of bribery. Employees must be aware of such laws in the areas in which they operate. All employees of the Company shall refrain from any acts which are prohibited by the Foreign Corrupt Practices Act and these similar laws. Importantly, all employees also are responsible for ensuring that agents, consultants and others comply with these laws when they act on behalf of the Company.

The Company’s policies with respect to anti-corruption are described more fully in the Company’s Foreign Corrupt Practices Act and Anti-corruption Policy, which is available on the Company’s Intranet.

### ***Export and International Traffic in Arms Regulations (ITAR)***

Our Company policy reflects our high awareness of the importance of export control in AMSC operations and of our commitments and obligations under U.S. federal laws and regulations, such as International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR), as well as applicable laws and regulations in other countries in which we conduct business. Employees should seek guidance from the Empowered Officials or Export Compliance Officer whenever their work may involve the export of controlled goods and services. AMSC expects all employees to be aware of their responsibilities.

The Company’s policies with respect to Export are described more fully in the Company’s Export Policy and Procedures, which is available on the Company’s Intranet.

### ***Anti-boycott***

In our business practices, we must be aware that there are international trade practices and boycotts not sanctioned by the United States government. As employees, we cannot enter into any agreements with customers, suppliers or any other business contacts that support these



illegal activities. If you encounter any requests to engage in such activity, contact the Legal Department or Corporate Compliance Officer for more information.

### ***Accuracy of Books and Records and Public Reports***

Employees, officers and directors must honestly and accurately report all business transactions – this includes: expense reports for labor, travel, entertainment, materials, and other costs. You are responsible for the accuracy of your records and reports. Accurate information is essential to the Company’s ability to meet legal and regulatory obligations. All Company books, records and accounts shall be maintained in accordance with all applicable regulations and standards and accurately reflect the true nature of the transactions they record. The financial statements of the Company shall conform to generally accepted accounting rules and the Company’s accounting policies. No undisclosed or unrecorded account or fund shall be established for any purpose. No false or misleading entries shall be made in the Company’s books or records for any reason, and no disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation.

It is the policy of the Company to provide full, fair, accurate, timely and understandable disclosure in reports and documents filed with, or submitted to, the Securities and Exchange Commission and in other public communications.

### ***Concerns Regarding Accounting or Auditing Matters***

Employees with concerns regarding questionable accounting or auditing matters or complaints regarding accounting, internal accounting controls or auditing matters may confidentially, and anonymously if they wish, submit such concerns or complaints in writing to the Company’s Chairman of the Audit Committee or may use the Employee Hotline which is accessible via the phone: U.S.: (888) 883-1499; or International: 01 (203) 227-1908, or the Company’s Intranet (<http://oneamsc/SitePages/Ethics%20Hotline.aspx>). See “Reporting Violations of this Code”. All such concerns and complaints will be reported to and reviewed by the Chairman of the Audit Committee of the Board of Directors. A record of all complaints and concerns received will be provided to the full Audit Committee each fiscal quarter, and shall be reported to the Board of Directors at least annually, or more frequently at the discretion of the Chairman of the Audit Committee.

The Audit Committee will evaluate the merits of any concerns or complaints received by it and authorize such follow-up actions, if any, as it deems necessary or appropriate to address the substance of the concern or complaint.

The Company will not discipline, discriminate against or retaliate against any employee who reports a complaint or concern, unless it is determined that the report was made with knowledge that it was false.



### ***Dealings with Independent Auditors***

No employee, officer or director shall, directly or indirectly, make or cause to be made a materially false or misleading statement to an accountant in connection with any audit, review or examination of the Company's financial statements or the preparation or filing of any document or report with the SEC. No employee, officer or director shall, directly or indirectly, omit to state, or cause another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to, an accountant in connection with any audit, review or examination of the Company's financial statements or the preparation or filing of any document or report with the SEC.

No employee, officer or director shall, directly or indirectly, take any action to coerce, manipulate, mislead or fraudulently influence any independent public or certified public accountant engaged in the performance of an audit or review of the Company's financial statements.

### ***Waivers of this Code of Business Conduct and Ethics***

While some of the policies contained in this Code must be strictly adhered to and no exceptions can be allowed, there may be certain cases where exceptions may be appropriate. Any employee or officer who believes that a waiver of any of these policies is appropriate in his or her case should first contact his or her immediate supervisor. If the supervisor agrees that a waiver is appropriate, the prior approval of the Chief Financial Officer must be obtained. The Corporate Compliance Officer shall be responsible for maintaining a record of all requests by employees for waivers of any of these policies and the disposition of such requests. The Audit Committee of the Board of Directors shall periodically review the record of waiver requests and their disposition.

Any executive officer or director who seeks a waiver of any of these policies should contact the Chairman of the Audit Committee of the Board of Directors. Any waiver of this Code for executive officers or directors or any change to this Code that applies to executive officers or directors may be granted only by the Board of Directors of the Company and will be disclosed as required by law or stock market regulation.

### ***Dissemination and Amendment***

This Code shall be distributed to each new employee, officer and director of the Company upon commencement of his or her employment or other relationship with the Company and shall also be distributed annually to each employee, officer and director of the Company, and each employee, officer and director shall certify that he or she has received, read and understood the Code and has complied with its terms.



With the concurrence of the Board of Directors, the Company reserves the right to amend, alter or terminate this Code at any time for any reason. The most current version of this Code can be found on the Company's Intranet as well as in the governance section of the Company's website.

This document is not an employment contract between the Company and any of its employees, officers or directors.



## Appendix 1

Chairman of the Audit Committee of the Board of Directors at American Superconductor is David R. Oliver, Jr., Phone: (202) 436-0197, E-mail: [daveoliverjr@verizon.net](mailto:daveoliverjr@verizon.net)

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