

E. & J. GALLO WINERY

SUPPLIER CODE OF ETHICS AND BUSINESS CONDUCT

I. APPLICABILITY

E. & J. Gallo Winery and its affiliates (“Gallo” or “We”) strive to conduct business in accordance with all applicable laws and regulations and believe in adherence to the highest ethical standards. Gallo also seeks to develop a mutually valuable relationship and open and frank business dealings with every company that provides products or services to Gallo anywhere in the world (“Supplier” or “you”).

This Code sets for Gallo’s expectations for you as a Gallo Supplier, and for all personnel employed by or engaged to provide services to you. Gallo expects you to adhere to high ethical standards and to avoid engaging in any activity that involves even the appearance of illegal conduct or impropriety. Consequently, Gallo considers your compliance with this Code as an extremely important factor in evaluating our mutual relationship and business dealings.

II. COMPLIANCE WITH LAWS, REGULATIONS, AND BUSINESS CONDUCT PRACTICES

Gallo expects that at all times you will comply with all laws and regulations applicable to your business, wherever conducted. In addition, Gallo expects that you will conduct business in a way that recognizes your ethical responsibilities and fulfills them. Where local laws are less restrictive than this Code, Gallo expects you to comply with the Code, even if your conduct would otherwise be legal.

No Improper Payments

You must comply with the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and other applicable anticorruption laws. In general, these laws prohibit promising, offering, or providing, or attempting to provide any direct or indirect kind of inducement to any person (including a government official) to act, or fail to act, improperly in the performance of their duties.

- An “inducement” can be anything of value. It would cover any gratuity, gift, favor, entertainment, loan, or service. It could be offered to a third party and not to the government official or other person directly.
- A “government official” is any officer, employee or consultant of a government or governmental department or agency, officer or employee of a state-owned enterprise or partially state-owned enterprise, political party or official, candidate for political office, officer or employee of a public international organization, member of a royal family or immediate family member of any of the persons mentioned above (“government official”).

These requirements mean, among other things, that you must not provide, attempt to provide, offer, or solicit a kickback, directly or indirectly, to obtain or reward favorable treatment in connection with any transaction. You also must not give or offer, either directly or indirectly, any gratuity, gift, favor, entertainment, loan, or anything of value to any government official or non-government commercial person except as may be permitted by applicable law.

To comply with these requirements, Gallo expects you to have appropriate internal controls over and advance approval mechanisms for any such inducements to government officials or other persons.

Lobbying of Government Officials

Lobbying is generally any activity that attempts to influence laws, regulations, policies, and rules. In certain jurisdictions, however, the legal definition of “lobbying” can also cover procurement and business development activity.

You must not lobby any government on behalf of Gallo unless you are specifically retained by Gallo for that purpose through a written agreement. Gallo will lobby and retain its own firms directly for government relations or lobbying on Gallo matters. You must not permit government relations consultants/lobbyists retained by you to be used by Gallo unless those consultants/lobbyists have a separate contract with Gallo, nor may you use Gallo's consultants/lobbyists for lobbying purposes unless you have a separate contract of your own with them.

Conflicts of Interest

The term "conflict of interest" describes any circumstance that could cast doubt on your ability to act with total objectivity with regard to Gallo's interests. Gallo believes that its business relationship with its Suppliers must be free from any conflicts of interest or even the appearance of conflict of interest. Conflict of interest situations may arise in many ways.

If you feel that you have an actual or potential conflict of interest with Gallo or any of its employees, you must disclose all pertinent details to Gallo.

Business Courtesies That May Be Extended To Gallo

Gallo and its employees and representatives do not offer or accept kickbacks, bribes, or other improper inducements. Gallo and its employees and representatives do not accept gifts, services, sports tickets, entertainment and travel, transportation, or anything of value from anyone doing business with or trying to secure business with the Gallo. Token gifts, such as a box of candy, calendars, pencils, and advertising materials, do not constitute a violation of this Code.

You must use discretion and care to ensure that expenditures on Gallo employees or representatives are reasonable and in the ordinary and proper course of business. You must ensure that such expenditures could not reasonably be construed as bribes or improper inducements or otherwise violate applicable laws and/or regulations.

Business Courtesies That May Be Received From Gallo

You are responsible for ensuring that the acceptance of any business courtesies, gifts, or entertainment by you or your employees or representatives is proper and could not reasonably be construed as an attempt to secure favorable treatment or otherwise violate applicable laws and/or regulations. Suppliers may not accept or request such unlawful payments or inducements.

Contractual and Financial Integrity

Except in extremely unusual circumstances, you will provide products and/or services to Gallo under a written agreement or pursuant to a written purchase order or similar contract document. Gallo expects that you will have procedures in place to ensure that such written agreements, purchase orders, or other contract documents are not accepted, signed, altered, or modified by persons lacking proper authority. Among other things, Gallo expects that you will not allow unauthorized waivers or side agreements, whether oral or written. In addition, you must not encourage or ask a Gallo employee to accept, sign, alter, modify, or waive any term in an agreement, purchase order, or other contract document or to enter into a side agreement unless you know that the Gallo employee is authorized to do so.

Gallo expects you to accurately document all transactions related to your contracts and business dealings with Gallo in your financial records and statements and in reports and other documents provided to Gallo. The handling and disbursement of funds related to Gallo business transactions must be pursuant to a duly authorized written Gallo contract with clearly defined procedures. No undisclosed or unrecorded fund or asset related to any Gallo transaction may be established or maintained for any purpose.

Antitrust and Competition Laws

Many countries have laws and regulations that prohibit unlawful restraints of trade. These are usually referred to as antitrust or competition laws. Gallo expects that you will be in compliance with these laws at all times. Gallo is committed to observing rigorously the applicable antitrust or competition laws of all countries.

Antitrust or competition laws vary from country to country, but, generally, such laws prohibit agreements or actions that reduce competition without benefiting consumers. Among those activities generally found to violate antitrust or competition laws are agreements or understandings among competitors to: fix or control prices; structure or orchestrate bids to direct a contract to a certain competitor or reseller (bid rigging); boycott specified suppliers or customers; divide or allocate markets or customers; or limit the production or sale of products or product lines for anticompetitive purposes.

Such agreements are against public policy and are against Gallo policy. You must never engage in such practices or discussions of such matters with Gallo, other Gallo partners, or representatives of other companies. You must refrain from discussions with competitors about (1) prices, (2) costs, (3) profits or profit margins, (4) production volumes, or (5) bids or quotes for a specific customer's business.

Agreements or other arrangements which involve exclusive dealing, bundled or tie-in sales, agreements with customers about resale prices, other restrictive arrangements with suppliers or customers, charging different prices to competing customers, or pricing below cost raise substantial risks under the U.S. and local antitrust or competition laws. You should not enter into any such agreements or arrangements relating to your Gallo business or business dealings without having them reviewed and approved by an authorized Gallo official. You should be aware that the antitrust laws of the United States might be applicable to you because these laws apply to business operations and transactions related to imports to, or exports from, the United States.

Unfair methods of competition and deceptive practices are also prohibited. Examples of these include making false or misleading representations about your products or services or Gallo's products or services, falsely disparaging a Gallo competitor or its products or services, making product or service claims without facts to substantiate them, or using Gallo's or another company's trademarks in a way that confuses the customer as to the source of the product or service.

Intellectual Property and Obligations of Confidentiality

Gallo respects the intellectual property rights of others and expects other companies to respect its intellectual property rights. You are responsible for protecting Gallo's intellectual property rights. An important element of such protection is maintaining the confidentiality of Gallo's trade secrets and proprietary information. You must respect the intellectual property of Gallo and not use Gallo's trademarks, documentation, or other materials without written permission. In the course of working with or for Gallo, you must not use proprietary information, documentation, or other materials of third parties without authorization.

You must safeguard confidential information by not transferring, publishing, using, or disclosing it other than as necessary in the ordinary course of business or as directed or authorized by Gallo. You must observe applicable data privacy standards. Materials that contain confidential information or that are protected by privacy standards should be stored securely and shared only internally with those employees with a need to know. For example, confidential information may include, but is not limited to: inventions or developments (regardless of the stage of development) developed or licensed by or for Gallo, marketing and sales plans, competitive analyses, product development plans, non-public pricing, potential contracts or acquisitions, business and financial plans or forecasts, internal business processes and practices, and prospect, customer, and employee information.

Protection of Confidential Information

You must protect confidential information (which includes "personal information") to which you have access in connection with your services to Gallo. The Gallo Supplier/Contractor Security Standards identify the security

standards and procedures that must be followed when accessing Gallo confidential information or Gallo networks. You are required to abide by these policies when collecting or processing the relevant confidential information.

Compliance with Export Laws

United States Export Control Laws govern all exports, re-export, and use of U.S.-origin commodities and technical data, wherever located. You are responsible for understanding how the Export Control Laws apply and for conforming to these laws to ensure no data, information, program and/or materials resulting from services (or direct product thereof) will be exported, directly or indirectly, in violation of these laws, or will be used for any purpose prohibited by these laws.

Business and Employment Relationships

Gallo expects you to provide a work environment that is in full compliance with all applicable laws governing employment practices and employee relations, including but not limited to laws prohibiting discrimination, harassment and retaliation. In general, Gallo expects you will treat your workers with dignity and respect, providing equal opportunities and fair treatment to all workers with respect to hiring, employment, promotions, training, compensation and benefits.

Elimination of Human Trafficking, Slavery, and Illegal Child Labor

You must comply fully with all applicable laws prohibiting human trafficking and slavery, including forced, bonded, indentured, involuntary convict or compulsory labor, by any of the following means: (i) by means of force, threats of force, physical restraint, or threats of physical restraint to that person or another person; (ii) by means of serious harm or threats of serious harm to that person or another person; (iii) by means of the abuse or threatened abuse of law or legal process, including threatened immigration deportation of that person or another person; or (iv) by means of any scheme, plan, or pattern intended to cause the person to believe that, if that person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint; or (v) by means of acts involved in the recruitment, abduction, transport, harboring, transfer, sale or receipt of persons within national or across international borders through force, coercion, fraud or deception to place persons in situations of slavery or slavery-like conditions, forced labor or services such as domestic servitude, debt bondage, sweat shop or other involuntary or coerced forms of labor.

In addition, materials incorporated into the products you provide to Gallo comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business and do not contain material which would violate either import or export applicable laws.

You also must comply fully with all applicable laws prohibiting illegal child labor. Eradication of illegal child labor, including compliance with all minimum age requirements as determined by applicable local laws and regulations and by not producing goods for Gallo with: (i) the sale and trafficking of children; (ii) debt bondage and serfdom; (iii) forced or compulsory labor; (iv) use, procuring, or offering of a child for illicit purposes; or (v) work which is likely to harm the health, safety, or morals of children.

Environmental

Recognizing that sustainable business requires recognition of the planet's limited resources, Gallo expects its Suppliers to support Gallo's goals around environmental issues. Suppliers must abide by all legislation and regulations related to the protection of the environmental and the handling of dangerous and hazardous materials. In addition, Gallo looks for Suppliers that include the following in their environmental protection program:

- A written environmental policy appropriate to the size and nature of the Supplier's operations that, in its fullest form, addresses CO₂ emissions, waste, energy, and wood & paper management.

- An effective internal environmental management program with adequately trained staff.
- A program to keep dangerous and/or Hazardous Materials to a minimum and make Material Safety Data Sheets or their equivalent available as required for all hazardous materials.
- A policy to work actively to improve the environment in the communities in which they operate and pursue initiatives to bring about such improvement.

III. GENERAL CONTRACTING ISSUES

Gallo expects you and your employees to compete fairly and ethically for all business opportunities. Your employees who are involved in the sale of products/services, the negotiation of agreements, and/or the delivery of services to Gallo are expected to understand and honor the terms of contractual agreements. All statements, communications, and representations to Gallo must be accurate and truthful.

Gallo may ask Supplier to permit Gallo, or an independent third-party selected by Gallo, to verify Supplier's compliance with this Code. Such verification may include onsite audits of Supplier's facilities, as well as access to Supplier's employees for the purpose of interviewing them regarding compliance with this Code. Gallo expects that Supplier would not retaliate against any person who in good faith reports or participates in good faith in any investigation into known or suspected improper Supplier or Gallo behavior.

Nothing in the Code is intended to create any employment relationship with a Supplier's workers or any new or additional third party rights for the Supplier or its workforce.

IV. REPORTING VIOLATIONS

Except as noted below, Gallo expects that you will report to Gallo any conduct, including conduct of any Gallo employee that you believe in good faith to be an actual, apparent, or potential violation of this Code. Prompt reporting of violations is in the best interest of everyone. Reports will be handled as confidentially as possible. Reports from or relating to concerns out of the European Union should be directed to your local Gallo business contact or his or her local management.

Gallo maintains an "open door" policy with regard to your questions, including any questions related to business conduct and ethics. If you have any questions, you may contact Michelle Moorman at 209-341-6308.

V. ENFORCEMENT

Gallo expects that Supplier will maintain sufficient information and documentation necessary to demonstrate compliance with the principles of this Code. Compliance with the principles of the Code is a material condition of continued business with Gallo, and Gallo may terminate business with Supplier for failing to comply with the guides and requirements set out in this Code.

Compliance with the Gallo Supplier Code of Ethics and Business Conduct places you among those corporations throughout the world that maintain the highest standards of business conduct and solid business ethics. Our standards can be met only with your cooperation.