



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

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## GROCERY OUTLET HOLDING CORP.

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### CODE OF BUSINESS CONDUCT AND ETHICS

This Code of Business Conduct (this “Code”) is intended as an overview of guiding principles of Grocery Outlet Holding Corp. and its subsidiaries (collectively, the “Company”, “Grocery Outlet” or “we”) and not as a restatement of the Company’s policies and procedures. This Code applies to each of the Company’s directors, officers and employees (including, without limitation, interns and temporary personnel with assignments of 90 days or more) (collectively, “you”).

Integrity and adherence to the highest ethical standards are critical to the Company’s reputation and success. Our reputation needs to be managed and developed with the same care we extend to our independent operators, suppliers, vendors and customers. In carrying out the business of the Company, you may deal with investors, developers, dealers, suppliers, independent operators, strategic partners, regulatory officials, community leaders, the press, the general public and fellow employees. It is essential that all of your dealings be legal and above reproach and do not in any way compromise the Company’s interests, its policies or its reputation for integrity and adherence to the highest standards of business ethics.

You should report in accordance with this Code any activity that may be, or may have the appearance of being, unethical, illegal or otherwise inappropriate. In so doing, not only can we take appropriate disciplinary or legal action, but we may be able to take steps to prevent the situation that gives rise to the questioned activity.

Merely operating within the law is just the beginning of the ethical conduct we expect and insist upon. The following is a broad statement of the Company’s expectations regarding legal and ethical conduct. This statement should be interpreted in the spirit of its intent and not literally, as it is virtually impossible to address every situation or condition that may arise.

This Code is subject to the Company’s certificate of incorporation, as amended from time to time (the “Certificate of Incorporation”), and bylaws, as amended from time to time (the “Bylaws”), in all respects, and in the event of any conflict between this Code and the Certificate of Incorporation or Bylaws, including, without limitation, provisions related to business opportunities presented to members of the board of directors of the Company (the “Board”), the provisions set forth in the Certificate of Incorporation or Bylaws, as applicable, shall control.

#### **A. Business Conduct**

You should be aware of the ethical practices of each person that you oversee or manage. We must maintain an attitude within the Company that unethical actions or the appearance of unethical actions are not acceptable, even though they may seem to be standard business practices in other companies. You must engage in and promote honest and ethical conduct. This

Code cannot and is not intended to cover every applicable law or provide answers to all questions that might arise; for that we must 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.

## **B. Conflict of Interest**

Other than as may be provided in the Certificate of Incorporation, you are expected to avoid any activity, investment, interest or association that interferes with or is reasonably likely to interfere with the independent exercise of your judgment when it is related to the Company's interests. You have a duty of loyalty to the Company and must therefore avoid any actual or apparent conflict of interest with the Company.

It is impossible to cover every possible conflict of interest, and at times it will not be easy to distinguish between proper and improper activity. However, common conflicts include:

- Having a financial interest, directly or indirectly, in any independent operator, supplier, partner, vendor or competitor of the Company. Other than as may be provided in the Certificate of Incorporation, all interests of 1% or greater in a publicly traded supplier, partner, vendor or competitor of the Company and non-passive interests of 2% or greater in private independent operators, suppliers, partners, vendors or competitors of the Company should be promptly disclosed to the Company's General Counsel and the Audit and Risk Committee of the Board (the "Audit and Risk Management Committee").
- Engaging in a business transaction on behalf of the Company with a relative by blood or marriage, or with a firm where such relative is an executive officer, without prior disclosure to, and written clearance from, the General Counsel.
- Accepting any money, gifts of other than modest value, unusual hospitality, loans or any other preferential treatment from any independent operator, supplier, partner, vendor or competitor of the Company.

In short, you cannot be influenced by improper personal considerations that might consciously or unconsciously affect your judgment regarding the best interests of the Company. If you become aware of an actual or apparent conflict of interest, you should discuss it with the appropriate manager and disclose it to General Counsel.

## **C. Corporate Opportunities**

Other than as may be provided in the Certificate of Incorporation, the Bylaws or a stockholder agreement to which the Company is a party, you may not, without the prior consent of the Board or a duly authorized committee thereof:

- Take for yourself personally any business opportunity that is discovered through the use of the Company's property, information or position;
- Use the Company's property, information or position for personal gain; or

- Compete, directly or indirectly, with the Company.

You owe a duty to the Company to advance its interests when the opportunity to do so arises.

#### **D. Information About Competitors**

As a business that is engaged in a competitive industry and marketplace, we seek economic knowledge about our competitors. However, you shall not engage in illegal or improper acts to acquire a competitor's trade secrets or proprietary information.

#### **E. Confidentiality**

You should maintain the confidentiality of information entrusted to you by the Company, its independent operators, suppliers, partners, vendors or customers or others related to the Company and their respective affiliates and businesses. Such information must not be disclosed outside the Company, except when disclosure is authorized by the Company or legally mandated. Confidential information includes all nonpublic information that might be of use to competitors, or harmful to the Company, its independent operators, suppliers, partners, vendors or customers or their respective affiliates, if disclosed.

#### **F. Fair Dealing with Independent Operators, Partners, Landlords, Suppliers, Vendors and Customers**

The Company's overall view regarding its relations with independent operators, partners, landlords, suppliers, vendors and customers is simple: they must be treated as the Company expects to be treated - with fairness and integrity. The Company's business is built upon the principle of effective, courteous management of independent operator, partner, landlord, supplier, vendor and customer contacts. The Company treats all independent operators, partners, landlords, suppliers, vendors and customers with dignity and respect.

You should endeavor to deal fairly with the Company's independent operators, partners, landlords, suppliers, vendors and customers. You may not intentionally take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice. The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with independent operators, partners, landlords, suppliers or vendors.

You must decline any gift, rebate or other benefit that could influence you judgement, or appear to influence your judgement, in the performance of your duties and prejudice the credibility and integrity of the Company. Nonetheless, you may accept offers of hospitality that arise as a result of the performance of you work duties and responsibilities, provided such offers are modest in value and will not cast doubt upon you objectivity and impartiality. You may not give or attempt to give any bribe or payment, including gifts of more than modest value, to any person directly or indirectly, to improperly influence business relations. In addition, you must not attempt to obtain or to accept, or create the appearance that you are attempting to obtain, a bribe, rebate, or improper payment or benefit. Fees and commissions can be paid to the Company only

within normal business relations. Suppliers of goods and services to the Company shall be selected on the basis of quality, price, usefulness, or service to the Company. You should discuss with your manager, the head of Human Resources, the General Counsel or another member of the Legal Department any gifts, rebates, or benefits or proposed gifts, rebates, or benefits that you think may be inappropriate. Any gift, payment or benefit provided to government personnel must be approved in advance by the General Counsel or another member of the Legal Department.

#### **G. Protection and Proper Use of Assets**

You should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes only.

#### **H. Contributions to Political Parties, Candidates or Government Officials**

The Company's policy is precise and specific. Contributions by a corporation to political parties or candidates involving federal offices in the United States are expressly forbidden by federal law. The Company obeys the law. In addition, while political contributions to parties or candidates may be legal in some states and in some foreign countries, no Company corporate funds may be used for such purposes without the express prior approval of the General Counsel. The Company is an active participant in the democratic process at the national, state and local levels within the parameters of the law. The Company also encourages all employees to participate in our political system by voting and becoming active in civic and political activities. It is important, however, that you clearly distinguish your personal views from those of the Company, unless specifically authorized by the Company to speak on the Company's behalf.

#### **I. Payments to Government Personnel**

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities that may be accepted by government personnel. The promise, offer or delivery to an official or employee of the U.S. or any other government of a gift, favor or other gratuity in violation of these laws and regulations would not only violate Company policy but could also be a criminal offense. All federal, state, local and foreign government rules with respect to bribes, gifts, favors, benefits, which shall be fully obeyed.

#### **J. Accuracy of the Company's Records:**

All official records showing the conduct of the Company's business must be accurate and complete in all material respects. All those involved in the preparation of such materials should consider the accuracy of the records of critical importance, and should understand that the Company does not maintain, nor does it countenance, any off-the-books funds for any purposes. It is the policy of the Company to fully and fairly disclose the financial condition of the

Company in compliance with applicable accounting principles, laws, regulations and rules. All books and records of the Company shall be kept in such a way as to fully and fairly reflect all Company transactions in accordance with generally accepted accounting principles.

All Company personnel should take steps to ensure full, fair, accurate, timely and understandable disclosure in all reports and documents filed with the Securities and Exchange Commission (the “SEC”) or any other governmental or regulatory agency and in other public communications made by the Company.

#### **K. Retention of Records**

Disposal or destruction of Company records and files (including electronic records) should comply with Company policy. In addition, when litigation or a government investigation is pending or imminent, relevant records must not knowingly be destroyed until the matter is closed.

#### **L. Equal Opportunity**

The Company’s people have been, and will continue to be, the key to our success. The Company strongly supports and recognizes its responsibility to provide equal employment opportunities to all qualified individuals. The Company places a high value on diversity. The Company strongly believes that all people are unique and valuable, and should be respected for their individual abilities.

In support of this goal, the Company strictly prohibits discrimination or harassment on the basis of race, gender, age, color, religion, disability status, veterans status, sexual orientation, marital status or ethnic, national or any other characteristic protected by law. This policy applies to all personnel relationships, including but not limited to: promotions, transfers, training, job assignments, job stations, hours of work, rates of pay, working conditions, terminations, and all terms and conditions of employment.

#### **M. Insider Trading**

Trading in the stock or securities of a company by a person who is aware of material, non-public information about that company is considered “insider trading.” Information is “material” if a reasonable investor would consider such information important in a decision to buy, hold or sell the securities. Information is non-public until it has been broadly disclosed to the marketplace and the marketplace has had time to absorb the information. Examples of adequate disclosure include public filings with the SEC and the issuance of press releases.

Insider trading and the sharing of material, non-public information with any other person who then trades in securities or passes the information to others (called “tipping”) is illegal. The personal consequences of insider trading or tipping can be severe and include possible imprisonment and significant fines. Individuals who involve themselves in insider trading or tipping may be subject to immediate termination.

The Company’s Securities Trading Policy is available on the Company’s intranet. You should carefully review this policy. If you have any doubts as to the propriety of any transaction,

you should seek advice from the General Counsel before undertaking the sale or purchase of the Company's common stock or of any other company's publicly traded stock, bonds or other securities.

## **N. Legal Conduct and Compliance with this Code**

You shall conduct business on behalf of the Company in full compliance with the laws of the jurisdictions in which the Company may conduct business. Accordingly, the provisions of this Code are not intended as a substitute for any applicable laws and regulations and the scope of this Code's application shall be limited to the extent incompatible with such laws and regulations. If the Company develops a presence in other countries, legal conduct and compliance with this Code may require further adaptations.

If you acquire knowledge of a violation of a law or this Code, or have cause to believe that a law or this Code has been violated, you should immediately report this situation openly, confidentially or anonymously to the Audit and Risk Management Committee, the General Counsel or the head of Internal Audit, SOX. Complaints may also be submitted as follows:

- in writing to Grocery Outlet Holding Corp., 5650 Hollis Street, Emeryville, California 94608, Attention: the Audit and Risk Management Committee or General Counsel or head of Internal Audit, SOX; or
- by contacting the Company's Hotline by phone at 800-683-6217(English or Spanish) or online at <http://groceryoutlet.ethicspoint.com>. The website can be read in both English and Spanish. Please note that employees are able to submit a report on an anonymous and confidential basis and are therefore not required to divulge their names.

The Company's Hotline is operated by Navex Global, Inc., an independent, third-party hotline provider. All reports regarding concerns or complaints should be factual rather than speculative or conclusory, and should contain as much specific information as possible to allow for proper assessment, including, for example, the names of individuals suspected of violations, the relevant facts of the violations, how the person reporting the matter became aware of the violations, any steps previously taken by the person reporting the matter, who may be harmed or affected by the violations, and, to the extent possible, an estimate of the misreporting or losses to the Company as a result of the violations.

Neither the Company, the Audit and Risk Management Committee nor any director, officer, employee, contractor, subcontractor or agent of the Company will discharge, demote, suspend, threaten, harass, directly or indirectly, or in any other manner discriminate or retaliate, against any person who, in good faith, reports a suspected violation of this Code or the law or otherwise assists the Audit and Risk Management Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, in investigating a suspected violation of this Code or the law.

Unless necessary to conduct an adequate investigation or compelled by judicial or other legal process, neither the Company, the Audit and Risk Management Committee nor any

director, officer or employee of the Company shall (i) reveal the identity of any person who reports a suspected violation of this Code or the law and asks that his or her identity remain confidential or (ii) make any effort, or tolerate any effort made by any other person or group, to ascertain the identity of any person who makes such a report anonymously.

Any employee who ignores or violates any of the Company's ethical standards, and any manager who penalizes a subordinate for trying to follow these ethical standards, will be subject to corrective action. However, it is not the threat of discipline that should govern your actions. The Company expects you to share its belief that a dedicated commitment to ethical behavior is the right thing to do and is good business.

If the Audit and Risk Management Committee or its designee determines that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offender may be disciplined for noncompliance with penalties up to and including removal from office or dismissal. Such penalties may include written notices to the individual involved that a violation has been determined, a written letter of reprimand by the Audit and Risk Management Committee, disgorgement, demotion or re-assignment of the individual involved, suspension with or without pay or benefits and termination of employment. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending person and the Company. You are expected to cooperate in all internal investigations of misconduct.

#### **O. Modifications and Waivers**

As a result of the Company's commitment to keep its policies and procedures current, this Code may be modified from time to time. Any amendment, modification or waiver of any provision of this Code for directors or executive officers must be approved by the Board. Any such amendment, modification or waiver shall be promptly disclosed in accordance with applicable laws, rules and regulations (including stock exchange rules).

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This Code sets forth the fundamental principles and policies that govern the Company's directors, officers and employees with respect to their conduct of the Company's affairs. It is not intended to, and does not, create any rights in any employee, independent operator, partner, supplier, vendor, customer, competitor, equityholder or any other person or entity. This Code is intended solely for the internal use by the Company and does not in any way constitute an admission, by or on behalf of the Company, as to any fact, circumstance or legal conclusion.

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