

Dakota Growers Pasta Company, Inc.
Compliance Program
Code of Conduct

(Adopted by Board of Directors on November 21, 2002)

Our Responsibilities:

All Dakota Growers Pasta Company, Inc. employees have important responsibilities with respect to the Compliance Program, Code of Conduct and ethical business conduct generally. We must:

- Be thoroughly familiar with applicable laws and regulations and our Standards of Conduct, and follow them at all times.
- Be sensitive to situations that could lead us or others to engage in improper actions, and avoid such situations.
- Take action against improper behavior by reporting it if we encounter it.

Those of us who are managers and supervisors at Dakota Growers Pasta Company, Inc. must also:

- Maintain a work environment that encourages open communication regarding ethical problems and concerns.
- Make a personal commitment that we will operate in accordance with the highest standard of ethical business conduct, and communicate this commitment to employees.
- Periodically discuss ethical issues and review the Compliance Program and the Standards of Conduct with our employees.
- Ensure that our employees receive appropriate ethics training.
- Be familiar with the resources available to assist in the resolution of legal and ethical questions and concerns.

Many of our customers have standards of conduct of their own, and those of us who deal with employees of those customers must be aware of those standards and act in compliance with them. For example, a customer may forbid its employees from accepting benefits such as business meals or favors. We should know these standards of conduct and make sure we do not provide employees of that customer such meals or favors.

Knowing the standards is particularly important when the customer is a governmental authority or a supplier to a governmental authority. In those situations, very strict rules often apply. Moreover, depending upon the circumstances, some forms of government regulation may

apply while others do not. Thus, when any form of regulation by a governmental authority is involved, it is critical that those of us involved learn precisely which government rules are applicable to us and comply with those rules.

Standard of Conduct No. 1: We will engage only in fair and open competition.

A. The Basic Standard

Dakota Growers Pasta Company, Inc. will in all respects compete fairly and ethically for contracts and other business opportunities.

This means, to begin with, that all materials used in our sales and marketing will be truthful, in good taste, and free from false or exaggerated claims or statements. This standard also means that Dakota Growers Pasta Company, Inc. employees will not use any illegal or unethical practices, such as obtaining proprietary information on a competitor or price-fixing, coercion or collusion, in an attempt to obtain business.

B. Particular Areas of Concern

Providing gifts, entertainment, and meals to customer representatives.

Employees will not offer or make any payment, bribe, or kickback, directly or indirectly.

Such actions result in severe criminal penalties for the employee involved and Dakota Growers Pasta Company, Inc..

Any meals, entertainment, gifts or favors we furnish customers and customer representatives will be in keeping with the principle of avoiding even the appearance of inducing customers or customer representatives to place their personal interests above that of their employer.

Note that the test is not whether a particular meal, gift or other benefit was actually provided to obtain favorable treatment, but whether it might give the appearance of having been provided for that reason. We apply this test in order to maintain the trust and confidence of our customers and others in the industry. We must refrain from any conduct suggesting that we seek business based on considerations other than the quality of our employees, products and services. Each of us who deals with customer representatives, or may otherwise be affected by a customer's rules and standards, must learn those rules and standards concerning the acceptance of meals, entertainment, gifts and other benefits. The meals, entertainment, gifts or favors provided representatives of customers or prospective customers must never be hidden from, or be in violation of, the rules or standards of their employers or principals.

Obtaining and using proprietary information of a competitor.

Employees will not attempt to obtain from any source, or use, a competitor's proprietary information. This includes information on a competitor's prices, bids or proposals in

circumstances where there is reason to believe the release of such information was illegal or unauthorized.

Often it will be clear from the face of documents and/or the circumstances that they are proprietary, and that they therefore should not be used. For example, if you receive a competitor's proposal in the mail from an unknown source, don't read it or use it. Turn it over to your supervisor immediately.

Severe criminal penalties can be imposed on employees and the company if proprietary information is used when release was unauthorized. Accordingly, if you question whether information involved in a government procurement is proprietary, procurement-sensitive or classified, don't use the information without approval.

Antitrust.

We must also be aware of and comply with the antitrust laws (as well as all other applicable laws and regulations).

In that connection, we must understand that the antitrust laws prohibit not only actions and discussions designed to fix prices or arrange market shares, but may also prohibit concerted actions by competitors with such salutary objectives as safety and more accurate testing of products. These kinds of actions can result in criminal penalties both for the individual involved and Dakota Growers Pasta Company, Inc.. Accordingly, no concerted action with a competitor should be taken without prior approval at the highest levels of Dakota Growers Pasta Company, Inc..

Following are some examples of actions prohibited by the antitrust laws:

- Agreeing with a competitor to divide up customers or territories.
- Agreeing with a competitor that both companies will jointly cease doing business with a customer unless the customer takes certain actions.
- Engaging in unfair methods of competition, which include making false comments about a competitor's products and making false or misleading advertising claims.

Foreign marketing practices.

The Foreign Corrupt Practices Act prohibits the payment of money or benefits to foreign officials to obtain favorable action.

It is also illegal to agree to boycott potential or actual customers or suppliers in foreign countries, or otherwise to engage in restrictive international trade practices. In many cases, even responding to seemingly innocent requests for information can be illegal. Those of us

responsible for sales in foreign countries must familiarize ourselves with these laws and obey them strictly.

Standard of Conduct No. 2: We will record and report all data and information accurately and honestly.

A. The Basic Standard

All records, reports, and other documents of Dakota Growers Pasta Company, Inc. must be prepared accurately and truthfully.

This applies both to everyday documents, such as time cards, expense reports, manufacturing records and accounting entries, and to less routine documents or reports, such as cost estimates, contract proposals, and other presentations to management, customers and the public. If you prepare such records or represent or certify the accuracy of information in such records, you must be diligent in assuring their accuracy and integrity.

B. Particular Areas of Concern

Financial reporting and accounting.

We must comply with accepted accounting practices and controls, as established by the appropriate company officials, at all times. All assets, liabilities, revenues and expenses of Dakota Growers Pasta Company, Inc. are to be entered in the regular company books, records and other documents. These books, records and documents must also accurately reflect and properly describe the transaction they record. For example:

- No undisclosed or unrecorded fund, asset or account of the Company will be established for any purpose.
- No false or artificial entries will be made in the books, records or accounts of the company for any reason, and no employee will engage in any arrangement that results in prohibited entries.
- No payment on behalf of the company will be approved or made with the intention or understanding that any part is to be used for any purpose other than that described by the supporting document.

In addition senior financial officers, including the CEO, CFO and Controller must provide an additional code of ethics certification in the form attached hereto as Appendix I.

All senior financial officers agree that they will reimburse the Company for bonuses or other incentive- or equity-based compensation, and any profits from the sale of securities, received during the period up to 12 months following the filing of a financial statement that requires an accounting restatement due to material noncompliance resulting from misconduct by the Company or its senior financial officers.

Pricing.

Obviously, you must not submit or concur in the submission of any claims, bids, proposals or other related documents that contain false or fictitious information. Beyond that, employees responsible for pricing products and services must comply with any applicable government regulations or customer requirements.

Reporting of expenses.

All expense items associated with travel or local business matters, including airfare, hotel expenses, taxi/limousine services, car rental, business meals, and entertainment, must be accurately and fully documented on the expense report (whether or not they are paid directly) with applicable receipts attached. The documentation should include identification of the customer involved, where a customer is involved, and a brief description of the business matter that required the expense.

Standard of Conduct No. 3: We will perform services and produce products with a commitment to a high level of quality.

A. The Basic Standard

All of us at Dakota Growers Pasta Company, Inc. are responsible for maintaining excellence in the quality of our products and services. To do so, we must comply with all customer requirements and specifications, meet all design, inspection and test criteria, and conduct all required inspection and testing.

Our careful attention to product quality and safety has a direct and substantial effect on our reputation and performance and allows us to meet or exceed the expectations of our customers. Dakota Growers Pasta Company, Inc. is totally committed to achieving product quality and safety.

B. Particular Areas of Concern

Production.

We must never substitute materials, components, procedures or products, or intentionally fail to provide the required quality controls.

Approval must be obtained before deviating in any way from the requirements of a contract, standard procedure or work order.

Supervisors must not place pressure on subordinates that might cause them to deviate from these requirements. Employees should never be pressured into compromising on quality.

Testing.

We must always perform the testing specified to meet customer requirements, and the documentation in support of that testing must be accurate and complete. There must be no unauthorized changes in the testing requirements and no false or inaccurate documentation concerning the testing.

Once again, supervisors must avoid placing pressure on subordinates that might cause them to deviate from requirements.

Standard of Conduct No. 4: We must avoid improper conflicts of interest.

A. The Basic Standard

Conflicts of interest can arise in virtually every area of Company operations. We must avoid personal interests that conflict with interests of the Company, or that might influence or appear to influence our judgment or actions in performing our duties.

Thus, employees should not have any business, financial or other relationship with suppliers, customers or competitors that might impair or even appear to impair the independence of the company. The word “appear” is most important. Even where there is no actual conflict of interest, the appearance of such a conflict is damaging because it can undermine trust among employees and cost us the respect of customers, potential customers and others in the industry.

B. Particular Areas of Concern

Procurement.

Our purchasing decisions must be based solely on quality, performance and price.

Accordingly, relations with suppliers are to be maintained on an objective basis, free from the influence of gifts and favors. Only nominal gifts and moderately priced meals or entertainment may be accepted from suppliers, and even that must be done within established guidelines and with the full knowledge of the appropriate supervisors or managers. None of us can ever accept meals, entertainment, gifts or favors when such actions might reasonably be construed as attempts to secure favorable treatment, or when they create an appearance of impropriety. No benefit in excess of \$100 in value shall be accepted without the prior approval of a general manager, division president or, in the case of the corporate officer, a corporate senior vice president.

Outside activities.

Activities we engage in outside our employment can give rise to conflicts of interest. We cannot compete or help others to compete with any part of Dakota Growers Pasta Company, Inc.. The following are types of outside activities that can create conflicts:

- Ownership and/or substantial management control by an employee or any member of the employee's family of a substantial interest in any concern that does business with Dakota Growers Pasta Company, Inc., whether as a supplier, dealer or customer, or is a competitor (except in the case of a publicly owned corporation whose securities are traded on the open market).
- Performance by an employee or a member of the employee's family of services for any outside concern or individual that does business with Dakota Growers Pasta Company, Inc., *i.e.*, a relative working for a travel agency doing business with Dakota Growers Pasta Company, Inc..
- Outside employment that conflicts or might be reasonably expected to conflict with the normal duties of a Dakota Growers Pasta Company, Inc. employee.

Anytime your outside activities may present a conflict, you must make full written disclosure of those activities and receive prior written approval from the Company.

Acceptance of gifts and gratuities.

As previously indicated, company procurement officials must be extremely careful about the receipt of gifts and gratuities that might affect or appear to affect their purchasing decisions. However, the same basic principle applies to all of us. Thus, employees and members of their families should not accept gifts of more than token value, loans (other than from established banking or financial institutions), excessive entertainment or substantial favors from any outside concern or individual that does or is seeking to do business with the company, or is a competitor.

Compliance with securities laws.

We must not buy or sell the securities of Dakota Growers Pasta Company, Inc., or any affiliate of it, directly, or indirectly, on the basis of inside information, or communicate such information to others for that purpose. In addition, we must not trade in the securities of any other company on the basis of undisclosed information obtained in the course of our employment with Dakota Growers Pasta Company, Inc., or communicate such information to others for that purpose.

Standard of Conduct No. 5: We must protect company assets and the assets of others entrusted to us against loss, theft, and misuse.

A. The Basic Standard

We are personally responsible and accountable for the proper expenditure of Company funds, including money spent as travel expenses or for customer entertainment. Employees are also responsible for the proper use of property over which they have control, including both Company property and funds and property that customers or others have entrusted to their custody. Company assets must be used only for proper purposes, both during and after employment with the Company.

Company property should not be used for personal benefit, sold, loaned, given away or otherwise disposed of, regardless of condition or value, without proper authorization.

B. Particular Areas of Concern

Proprietary information.

We are responsible for protecting company proprietary information and that entrusted to the Company by others. Most of the information that employees learn or develop as part of their job is proprietary — that is, it is Company property useful in the Company business. Such information is a valuable business asset that must be protected, because its unauthorized disclosure could destroy its value to the Company and give others an unfair advantage. In addition to refusing to disclose such information without authorization, you must take affirmative steps to assure that such information is strictly safeguarded. Other business-sensitive and confidential information should be given the same protection.

Proprietary information includes, but is not limited to, strategic business plans, operating results, marketing strategies, customer lists, personnel records, product formulations, manufacturing procedures and policies, engineering development plans, blueprints, upcoming acquisitions and divestitures, new inventions, and manufacturing costs, processes and methods. It may take the form of records, practices, letters, plans, drawings, or computer programs, or it may be conveyed to you orally. The general rule should be: If you question whether Company information is proprietary, treat it as proprietary.

Particular care should be taken with respect to meetings of industry associations and other situations in which Dakota Growers Pasta Company, Inc. employees come into contact with representatives of competitors.

Standard of Conduct No. 6: We will act with respect and consideration for all our fellow employees.

A. The Basic Standard

We have a fundamental responsibility to show respect and consideration for all our fellow employees.

This means that fellow employees should at all times be treated fairly and with dignity. In addition, their beliefs and concerns should be respected.

B. Particular Areas of Concern

Equal employment opportunity.

Dakota Growers Pasta Company, Inc. is an Equal Opportunity Employer as a matter of law, ethics and good business practice. No employee is to discriminate against another employee

or prospective employee, or make disparaging comments or criticisms on the basis of race, color, creed, sex, national origin, age, handicap, disability or veteran's status.

In this connection, sexual harassment will absolutely not be tolerated. These principles apply to all aspects of the employment relationship, including application and initial employment, promotion and transfer, selection for training opportunities, and the application of service, retirement, seniority and employee benefit plan policies.

Safety of the workplace.

We have an obligation to perform our work in a safe manner so that we do not cause harm to ourselves or to others. Similarly, we must see that work conducted under our supervision is performed safely.

Drugs and narcotic substances.

Any use or possession of illegal drugs and narcotic substances by Dakota Growers Pasta Company, Inc. employees is strictly prohibited.

Drug abuse threatens the welfare of other employees and is detrimental to the work environment and work ethic. Federal laws prohibit the use or possession of illegal drugs and narcotics. Under no circumstances may such drugs or substances be brought onto company premises. Of course, employees must never work when impaired by illegal drugs or alcohol.

Standard of Conduct No. 7: We will ensure that our operations are not harmful to the environment.

A. The Basic Standard

We have a fundamental responsibility to ensure that our operations are not harmful to the environment.

Each facility has an environmental and waste disposal program that ensures compliance with all government environmental laws, regulations, permits or licenses. Those of us having responsibilities in these areas must familiarize ourselves with these programs and federal, state and local environmental and waste disposal laws and follow them strictly.

Procedures for Obtaining Additional Information and Assistance, and Reporting and Investigating Possible Violations.

A. Where to Go for Additional Information and Assistance

Those of us with questions relating to one of the Standards of Conduct, or to any other legal or ethical issue, generally should first raise the matter with supervisors. In some cases, supervisors will need to refer questions elsewhere in the Company to have them answered fully. Certain types of questions should be referred to the appropriate functional department. For

example, questions relating to financial matters should be referred to the CFO or Audit Committee of the Board of Directors. Likewise, questions relating to possible conflicts of interest should also be referred to the Audit Committee or CEO. Questions relating to other subjects covered by the Standards of Conduct, or to other legal or ethical issues, should be raised with the CEO, CFO or the Audit Committee.

If for some reason you would not be comfortable seeking guidance from the CEO or CFO, you should submit your concerns in writing to the Chair of the Audit Committee of the Board of Directors at the following address:

Curtis R. Trulson
Box 116
Ross, ND 58776

It is important to emphasize that if you have a question as to whether a particular action you are considering might be inconsistent with a Standard of Conduct, or be improper for any other reason, you should raise that question and get it resolved before taking the action.

B. Reporting and Investigation of Violations

Employee obligation to report possible violations.

We should all be alert and sensitive to situations that could result in actions by ourselves or others that might violate federal, state or local laws, or the Standards of Conduct set forth in this Code of Conduct. Employees who believe their own conduct or that of a fellow employee may have violated any such laws or any of the Standards of Conduct have an obligation to report the matter.

Generally, such matters should be raised first with immediate supervisors. This may provide valuable insights or perspectives and encourage resolution of problems within the appropriate work unit. However, an employee who would not be comfortable bringing the matter up with his or her immediate supervisor, or who does not believe the supervisor has dealt with the matter properly, should raise the matter with the appropriate department head, or function head, the CEO or CFO, or the Audit Committee. Concerns to be raised with the Audit Committee should be submitted in writing to the Chair of the Audit Committee at the following address:

Curtis R. Trulson
Box 116
Ross, ND 58776

The most important point is that possible violations should be reported, and that the company supports all these means of reporting them.

Regardless of how such a report is made, it is Dakota Growers Pasta Company, Inc. policy that the reporting employee be informed of the outcome of the investigation relative to his

or her report. If you make an anonymous confidential report [over the special phone hot-line], you can continue to preserve your anonymity by calling [the number again later] to learn the status of the report.

Confidentiality.

Dakota Growers Pasta Company, Inc. will not disclose a reporting employee's identity without his or her permission unless disclosure is unavoidable during an investigation.

No reprisals.

In no event will the company take or threaten any action against an employee as a reprisal for making a complaint or disclosing information in good faith. However, if a reporting individual was involved in improper activity, the individual may be appropriately disciplined even if he or she was the one who disclosed the matter to the company. In such a case, however, a voluntary disclosure would be given favorable consideration in any ensuing decisions.

Discipline.

Disciplinary actions for violations of the Code of Conduct can include oral or written reprimands, suspension, or termination. Such disciplinary actions may also be taken (1) when an employee fails to report or withholds relevant information concerning a violation of such standards, laws, or regulations; or (2) when there has been inadequate supervision or lack of diligence by a supervisor or manager in connection with a violation of such standards, laws or regulations. The violation of laws (which can subject the company to huge fines and other penalties) can result in criminal prosecution of the employee involved.

ACKNOWLEDGMENT

**Dakota Growers Pasta Company, Inc. Compliance Program and Code of Conduct
Compliance Report**

I have received, read and understand the Dakota Growers Pasta Company, Inc. Compliance Program and Code of Conduct. In addition:

A. I understand and acknowledge that the work for which I am employed by the company includes access to information (such as customer, supplier, sales and pricing information, manufacturing drawings and processes) which is private, confidential and/or trade-secret property belonging to the company. I promise to receive such information in confidence and will not, during or after my employment, make use of such information outside of my specific work for the company. I understand that my obligations will continue whether or not my employment with the company terminated voluntarily or involuntarily, or with or without cause.

B. To the best of my knowledge, information and belief, neither I nor any member of my family has any interest or connection, or has within the past year engaged in any activity, that constitutes a conflict of interest as this term is described in the Compliance Program and Code of Conduct booklet, including employment by me outside the company, except as indicated below. (Write "NONE" if appropriate.)

C. To the best of my knowledge, information and belief, I am not now engaged in any actions, and during the past year have not engaged in any actions that could be considered as violating the Compliance Program and Code of Conduct, except as indicated below. (Write "NONE" if appropriate.)

Signature

Date

Name (Print or Type)

Title

Location

APPENDIX I

CODE OF ETHICS FOR FINANCIAL OFFICERS

In my role as a financial executive of Dakota Growers Pasta Company, Inc., I certify to you that I adhere to and advocate the following principles and responsibilities governing my professional and ethical conduct.

To the best of my knowledge and ability:

1. I act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
2. I provide constituents with information that is accurate, complete, objective, relevant, timely and understandable.
3. I comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
4. I act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing my independent judgment to be subordinated.
5. I respect the confidentiality of information acquired in the course of my work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of my work is not used for personal advantage.
6. I share knowledge and maintain skills important and relevant to my constituents' needs.
7. I proactively promote ethical behavior as a responsible partner among peers in my work environment.
8. I achieve responsible use of and control over all assets and resources employed or entrusted to me.

(Signature)