



## BI-LO Code of Ethics

<b>Introduction</b>	<p>BI-LO (The “Company”) is committed to promoting and sustaining the highest levels of ethical behavior in its workplace and in its relationships with customers, vendors, suppliers, and local communities. Our Company’s success depends upon our reputation for integrity and fairness. Accordingly, BI-LO has developed this Code of Ethics to explain the standards of behavior that we expect from our Teammates. The purpose of the Code is to:</p> <ul style="list-style-type: none"><li>• Promote honest and ethical conduct, including the appropriate handling of actual or apparent conflicts of interest between personal and professional relationships,</li><li>• Promote compliance with applicable governmental rules and regulations,</li><li>• Provide guidance to Teammates so that they can recognize and report issues that may have ethical implications,</li><li>• Provide mechanisms to report unethical conduct, and</li><li>• Foster a culture of honesty and accountability and an atmosphere where Teammates can report their concerns and cooperate fully with investigations without fear of retaliation.</li></ul> <p><b>All Store Managers, Pharmacists and exempt Teammates grade 12 and above are required to sign a statement certifying compliance with the Code. Compliance with the Code is a term and condition of employment with BI-LO. Violation of this Code is grounds for corrective action, up to and including termination of employment and possible legal action.</b></p>												
<b>Administration of the Code</b>	<p><b>A. <u>The Ethics Committee Hotlines</u></b></p> <p>This Code is administered by BI-LO Ethics Committee. The names and telephone numbers of the members of the Ethics Committee are listed below. Any questions regarding this Code should be directed to a member of the Ethics Committee.</p> <p>To report a suspected violation of the Code or other unethical or illegal conduct, a Teammate may either contact an Ethics Committee member or call one of the hotlines that have been established by BI-LO. The hotline numbers are also listed below.</p> <p>Reports to the Hotline and/or to Ethics Committee members should be as detailed as possible in order to assist the Ethics Committee in its investigation. All reports will be treated as confidentially as possible under the circumstances.</p> <p><b><u>Ethics Committee:</u></b></p> <table><tr><td><b>Skip Clark, Chairperson</b></td><td><b>864-214-2592</b></td></tr><tr><td><b>Ken Peterson</b></td><td><b>864-286-2865</b></td></tr><tr><td><b>Dwayne Goodwin</b></td><td><b>864-213-2558</b></td></tr><tr><td><b>Dwane Bryant</b></td><td><b>864-283-3574</b></td></tr><tr><td><b>Steve Mayer</b></td><td><b>864-286-2621</b></td></tr></table> <p><b><u>BI-LO Hotline Numbers:</u></b></p> <table><tr><td><b>BI-LO HOTLINE</b></td><td><b>888-245-6669</b></td></tr></table>	<b>Skip Clark, Chairperson</b>	<b>864-214-2592</b>	<b>Ken Peterson</b>	<b>864-286-2865</b>	<b>Dwayne Goodwin</b>	<b>864-213-2558</b>	<b>Dwane Bryant</b>	<b>864-283-3574</b>	<b>Steve Mayer</b>	<b>864-286-2621</b>	<b>BI-LO HOTLINE</b>	<b>888-245-6669</b>
<b>Skip Clark, Chairperson</b>	<b>864-214-2592</b>												
<b>Ken Peterson</b>	<b>864-286-2865</b>												
<b>Dwayne Goodwin</b>	<b>864-213-2558</b>												
<b>Dwane Bryant</b>	<b>864-283-3574</b>												
<b>Steve Mayer</b>	<b>864-286-2621</b>												
<b>BI-LO HOTLINE</b>	<b>888-245-6669</b>												

Effective: June 30, 2008

Supersedes all previous versions



## BI-LO Code of Ethics

<b>Administration of the Code (continued)</b>	<p><b><u>B. Non-Retaliation Policy</u></b> BI-LO will not retaliate or permit retaliation against a Teammate who:</p> <ol style="list-style-type: none"><li>1. reports a suspected violation of this Code in good faith;</li><li>2. participates in any investigation alleging a violation of this Code;</li><li>3. provides to a law enforcement officer any truthful information relating to the commission or possible commission of any criminal offense</li></ol> <p>Any Teammate who believes that he or she has been retaliated against, or otherwise adversely affected in the employment context, as a consequence of taking any of the actions listed in statements 1 – 3 above, should immediately contact a member of the Ethics Committee or their Human Resources representative.</p> <p><b><u>C. Disciplinary Measures</u></b> The Ethics Committee shall determine appropriate actions to be taken in the event of violations of the Code. Such disciplinary measures shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code.</p>
<b>Core Rules &amp; Principals</b>	<p><b><u>A. Amendment, Modification, Waiver, and Termination of Provisions of the Code</u></b> BI-LO may, from time to time, amend, modify, waive or terminate the provisions of this Code. Any material amendments or modifications to the Code will be communicated to Teammates.</p> <p>Any Teammate seeking a waiver of a provision of the Code must make an application for such waiver to the Ethics Committee prior to taking the requested action. A “Waiver Request” form is attached as Exhibit A. Waivers will not normally be granted after the fact for actions already taken.</p> <p><b><u>B. Compliance with Applicable Governmental Laws, Rules and Regulations</u></b> BI-LO and all of its Teammates must comply with all laws, rules and regulations applicable in the country, state and local jurisdiction where they conduct business.</p> <p><b><u>C. Antitrust Matters</u></b> Compliance with this antitrust policy is the responsibility of each Teammate, and no deviation is permitted. Any questions regarding the antitrust laws should be referred to an attorney in the Legal Department.</p> <p><b>1. <u>Relations with Competitors</u></b> Teammates may not have any discussion or communication with any employee or representative of a competitor concerning past, present or future prices, pricing policies, bids, discounts, promotions, terms or conditions of sale, royalties, choice of suppliers or future locations of stores. In addition, discussions with competitors concerning costs may be sensitive from an antitrust point of view and any such discussions should be reviewed in advance with an attorney in the Legal Department. There may not, under any circumstances, be any agreement, expressed or implied, with a competitor concerning any of these subjects. This includes not only formal agreements, but also “gentlemen’s agreements,” tacit understandings, and informal, “off the record” conversations.</p> <p>Prices must be determined independently, in light of BI-LO costs, market conditions and competition. While competitive prices should be considered in determining our own prices, they should be obtained only from sources other than competitors, such as our own surveys. No Teammate may send or receive any price list or information to or from a competitor.</p> <p>When a competitor is a supplier of BI-LO, it is permissible to discuss or agree upon prices charged to or by the Company solely in transactions between the Company and the competitor.</p>

Effective: June 30, 2008

Supersedes all previous versions



## BI-LO Code of Ethics

### Core Rules & Principals

#### **2. Relations with Customers and Suppliers**

As a general rule, BI-LO is free to select its own customers and suppliers, as long as it does so independently. Any understanding or agreement with an outside party to refrain from doing business with a third party, whether formal or informal, expressed or implied, may violate both the law and Company policy. This does not, however, prevent the exercise of independent judgment based upon business information, such as that provided by customary credit sources.

An attorney in the Legal Department should be consulted before BI-LO refuses to sell to any present or prospective non-retail customer for other than valid credit reasons.

An attorney in the Legal Department must be consulted before BI-LO refuses to buy from a supplier in any instance where a third party has requested or urged such refusal, whether or not the refusal to buy is related to such request or urging. The Legal Department must be advised immediately in any situation where litigation is threatened.

#### **3. Agreements**

The General Counsel of BI-LO should be consulted before the Company enters into any new distribution, supply or purchase agreement. Unless prior permission is received from the BI-LO legal department, all agreements must be memorialized in writing.

#### **4. Reciprocity**

BI-LO may sell its products to one of its suppliers, or engage in documented barter transactions, but the sales and purchasing responsibilities of Company personnel should not be related to one another. Each sale and purchasing decision should be made independently and assure that the Company's profits will be maximized. BI-LO may not base its purchases from any supplier upon that supplier's purchases from the Company.

#### **5. Price Discrimination**

The Robinson-Patman Act covers direct and indirect price discrimination among suppliers and customers. The Legal Department will provide advice and training to those in buying or wholesaling positions to ensure compliance with the law's provisions. In addition, special offers and "deals" from suppliers who sell to our competitors should be discussed with an attorney in the Legal Department.

Effective: June 30, 2008

Supersedes all previous versions



## BI-LO Code of Ethics

### Core Rules & Principals

#### **D. Conflicts of Interest**

Teammates should avoid any situation that may involve, or may appear to involve, a conflict between their personal interests and the interests of BI-LO. In dealings with current or potential suppliers, vendors, contractors, and competitors, each Teammate should act in the best interest of the Company, to the exclusion of personal advantage.

While it would be impossible to describe every situation in which a conflict of interest might arise, we have set forth below some examples where a conflict, if not disclosed, would likely arise. Disclosure of actual or apparent conflicts is the single most important step a Teammate can take to comply with this Code. BI-LO "Conflict of Interest Disclosure Form" is attached as Exhibit B to this document.

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

- Unless disclosed to and approved by the Ethics Committee, no Teammate or member of a Teammate's family (i.e., immediate family member, in-law, or any person regularly residing in the Teammate's home) may have a significant financial interest in or obligation to any outside enterprise which
  - i. Competes with BI-LO;
  - ii. Sells services, goods, or other property to BI-LO;
  - iii. Purchases services, goods, or other property from BI-LO and/or rents or leases property to or from BI-LO;
  - iv. Purchases goods from or sells goods to one of BI-LO's suppliers and is in a position to influence any decision by the Company with respect to such supplier.
- Unless disclosed to and approved by the Ethics Committee, no Teammate may purchase, on BI-LO's behalf, any products, goods, or services from a family member or from a company controlled or managed by a family member. It is the responsibility of the Teammate whose family member seeks to deal with BI-LO to make the appropriate disclosures.
- Unless disclosed and approved by the Ethics Committee, no Teammate shall use any BI-LO property or information for personal gain.
- No Teammate whose conduct is governed by this Code shall compete directly with the Company or work for a competitor of the Company.
- No Teammate shall divert a business opportunity from BI-LO for his or her own benefit or for the benefit of a relative. If a Teammate becomes aware of an opportunity to acquire or profit from a business venture or investment in which BI-LO is involved, or is likely to become involved, the Teammate must disclose the relevant facts to the Ethics Committee and defer any involvement in the venture until receiving approval from the Ethics Committee.

Failure to disclose an actual or perceived conflict of interest is a violation of the Code and could result in disciplinary action, up to and including immediate termination of employment. A Conflict of Interest Disclosure Form is attached to this Code as Exhibit B. It must be completed annually, when the Code is distributed for signature, and whenever an actual or perceived conflict of interest arises during the year. Conflict of Interest Disclosure Forms should be sent to the Ethics Committee for review and approval.

**Effective: June 30, 2008**

**Supersedes all previous versions**



## BI-LO Code of Ethics

### Core Rules & Principals

#### **E. Fair Dealing with Teammates, Customers, Suppliers, and Competitors: Gifts, Contributions, and Payments**

BI-LO does not seek to gain any advantage through the improper use of favors, gifts, or other inducements. Good judgment and moderation must be exercised to avoid misinterpretation and to maintain the excellent business reputation for which our Company and our Teammates strive. Where disclosure is required, Teammates should use BI-LO's Ethics Disclosure Form, which may be accessed electronically, through the Company's Intranet or Lotus Notes system, or in hard copy from your local Human Resources representative. Where feasible, all submissions should be made electronically. A copy of the electronic version of the Ethics Disclosure Form is attached as Exhibit C.

1. **Bribes and Kickbacks:** Offering, giving, soliciting, or receiving any form of bribe or kickback (i.e. any monetary or other compensation given in exchange for doing business) is strictly forbidden. If any third party attempts to offer a bribe or kickback to any Teammate, that Teammate must immediately disclose such offer to the Ethics Committee.
2. **Political Contributions:** Corporate funds may be used to make political contributions or to establish political action committees (or similar political funding vehicles) (collectively, "PACs") only if such contributions or PACs: (a) further the legitimate business interests of BI-LO; (b) are approved in advance by the BI-LO Ethics Committee and Legal Department; and (c) are permitted by all relevant local, state, and federal laws and regulations.
3. **Payments to Supplier, Vendors, and other Third Parties:** Payments to third parties made for the purpose of transacting Company business are permitted to the extent that such payments are commensurate with the goods or services offered by the third party. These payments must not violate any laws of the United States or the country in which such payment is made. All payments must be properly recorded on the corporate books.
4. **Giving Gifts to Suppliers, Vendors and other Third Parties:** Gifts and other gratuities, personal favors, or benefits provided to third parties out of corporate funds or other corporate assets are prohibited. Where lawful and appropriate, items of nominal value (i.e., calendars or office supplies worth less than \$25) and reasonable, business-related expenses (i.e., meals) are acceptable if disclosed on BI-LO's Ethics Disclosure Form. *Gifts of any kind or amount to government officials are absolutely forbidden.*
5. **Soliciting charitable donations and/or event support from Vendors or Other Third Parties:** Solicitation of charitable donations or support for events is limited to BI-LO sponsored events. Solicitations must be approved in advance by the relevant Vice-President or higher officer and reported to the appropriate business partner (Diversity Office, Communications & Public Relations and/or Marketing). Documentation must be maintained to support the solicitation and retained for seven years. Documentation includes, but is not limited to, approval of solicitation, reporting of receipt of donation to the appropriate business partner, event/charity name and date of activity, list of vendors solicited with contact names, list of product/service provided and estimated value. Acceptable forms of documentation includes, but is not limited to, completed deal sheets, email, memo, official letterhead, tax exempt letter from the BI-LO Charity Classic and evidence of press coverage.

Effective: June 30, 2008

Supersedes all previous versions



## BI-LO Code of Ethics

### Core Rules & Principals

6. **Receiving Gifts or Other Items of Value from Third Parties:** The receipt of gifts or other items of value from outside vendors or third parties is generally discouraged. This section outlines when it is appropriate to accept gifts, when disclosure of such gifts must be made, and when it is necessary to seek prior written approval before accepting gifts. When in doubt, always seek prior approval, by submitting an Ethics Disclosure Form, before accepting any gift in the business context.

- a. **Attending an Event with a Vendor/Supplier Representative Present:** A Teammate and members of his or her immediate family may attend an event (such as a meal, sporting event, concert, charity function) as the guest of a vendor or supplier so long as (i) a representative of the supplier or vendor is present, (ii) receive prior approval from the relevant Vice-President, or higher officer, and (iii) within 15 days of the event, provide written disclosure on an Ethics Disclosure Form. Local transportation may be accepted in connection with such an event.

Example: A local vendor invites a grocery buyer and his/her spouse to attend a Carolina Panthers game. The Teammate may accept the invitation so long prior approval is obtained and the vendor attends the game with the Teammate. The Teammate is required to submit an Ethics Disclosure Form within 15 days of the game.

- b. **Attending an Event without a Vendor/Supplier Representative Present:** If a vendor or supplier representative is not present at the event, a Teammate may accept tickets to the event only if (i) the Teammate pays the greater of the face value or the actual cost of the ticket, (ii) receive prior approval from the relevant Vice-President, or higher officer, and (iii) within 15 days of the event, provide written disclosure on an Ethics Disclosure Form.

Example: A local vendor offers a grocery buyer one ticket to an Atlanta Braves game. The face value of the ticket is \$75, but the vendor paid \$100 for the ticket. The vendor will not attend the game. The grocery buyer may accept the ticket if he receives prior approval and pays the vendor \$100. The Teammate is required to submit an Ethics Disclosure Form within 15 days of the event.

- c. **Overnight Trips or Events of Significant Value:** A Teammate who wishes to attend any vendor-sponsored event involving an overnight stay, plane travel, or other significant expense must (i) receive prior approval from the relevant Vice-President, or higher officer, and (ii) within 15 days of the event, provide written disclosure on an Ethics Disclosure Form. Approval of such events will require evidence that the Teammate's attendance provides a value or benefit to the Company.

Example: A national vendor invites the Senior Vice President of Perishables to attend a special presentation of the vendor's new products. The presentation will occur over the course of two days in Aspen, Colorado. Prior to accepting the invitation, the Senior Vice-President must obtain written permission from an Executive Vice-President, explaining how his attendance will provide value to the Company. The Teammate must also submit an Ethics Disclosure Form within 15 days of the event.

Effective: June 30, 2008

Supersedes all previous versions



## BI-LO Code of Ethics

### Core Rules & Principals

- d. Gifts to Teammates: Except as set forth below, Teammates may not accept any gifts from vendors or third parties. If a gift is received, the Teammate must provide written disclosure on an Ethics Disclosure Form and (i) return it; (ii) donate it to charity; or (iii) keep it, report receipt to the relevant Vice-President, or higher officer and donate the dollar value of the gift to the “We Care” charity (see an HR representative on how to donate the money). If the gift is a food item and capable of being shared, then the food may be placed in a common area so that many Teammates may enjoy it. If the gift received is a calendar or other type of office supply of nominal value (less than \$25), the Teammate may keep the gift and is not required to disclose receipt or take any further steps. Any gifts received, other than office supplies of nominal value, must be disclosed on an Ethics Disclosure Form within 15 days of receipt.

Example: A vendor sends a fleece jacket with the vendor’s logo to a buyer in the meat department. The buyer must disclose the jacket and return the jacket, donate the jacket to charity, or keep the jacket and donate the fair market value of the jacket to the “We Care” charity. The buyer must complete an Ethics Disclosure Form indicating receipt and disposition of the gift within 15 days.

Example: A seafood vendor sends a Teammate a memo pad with the vendor’s logo. The Teammate may keep the memo pad and does not have to disclose receipt of it.

Gifts Received at Trade Shows or Conferences: A Teammate may accept gifts of nominal value (less than \$25) that are distributed at trade shows and conferences. If the value of a gift received at a trade show exceeds \$25, receipt of the gift must be disclosed within 15 days on an Ethics Disclosure Form.

Gifts that Acknowledge Personal Events (Weddings, Funerals, Convalescence, etc.): If a Teammate has a personal friendship with a vendor or other third party doing business with BI-LO, and that Teammate invites the vendor or third party to a private event where the giving of gifts is customary (such as a wedding, birthday party, bar/bat mitzvah), the receipt of a reasonable gift in connection with such event is appropriate so long as it is disclosed on an Ethics Disclosure Form within 15 days. Teammates who receive modest gifts (fruit basket, flowers, and book) in connection with convalescence or a family funeral may accept such gifts without disclosing them.

Gifts received at special events, such as golf tournaments, that are received by all participants: If a Teammate receives benefits or gifts that are received by all participants, while attending a vendor meeting, conference, golf tournament or other function, the Teammate must provide written disclosure on an Ethics Disclosure Form within 15 days.

Nike Coupons related to the BI-LO Charity Classic: Teammates who receive Nike Coupons or related benefits during the BI-LO Charity Classic must disclose the receipt and total value on an Ethics Disclosure Form within 15 days.

Effective: June 30, 2008

Supersedes all previous versions



## BI-LO Code of Ethics

### Core Rules & Principals

- e. Sales Contests, Incentives, and Prizes: BI-LO may approve the use of sales contests or other incentives and prizes for its Teammates. Any program of this type must be pre-approved by (i) the Vice-President of the relevant department, (ii) the Vice-President or Executive Vice-President of Marketing at BI-LO, and (iii) the Legal Department, to ensure that the contest complies with applicable laws. A “Sales Contest Approval Form” is attached as Exhibit D to this document. A Teammate winning any item of value under this section is required to acknowledge the fair market value of the prize and pay any required tax on the prize.

Incentives earned by merchandising Teammates based on volume purchases, sales or other criteria are property of BI-LO. Incentives should be converted to cash and credited to BI-LO whenever possible; otherwise, the incentives must be used for Company contests or drawings or donated to charity.

- f. Samples: Samples received from vendors are property of BI-LO and must be (i) consumed or used by Teammates for the purposes of sampling/testing the product; (ii) when appropriate, sent to the stores for sale; (iii) sold in sample sales; or (iv) donated to charity.
- g. Personal Purchases of Goods and Services from Vendors: If a Teammate purchases a good or product from a vendor for personal use, the Teammate must pay in the same manner as any other customer in a store. A Teammate may not purchase directly from a vendor. Any pre-arranged purchase must be disclosed on the Ethics Disclosure Form. A Teammate may not use corporate accounts or set up an account using BI-LO name in order to make personal purchases.

If a Teammate purchases services from a Company vendor (i.e. accounting, legal, construction), the Teammate must pay a price no lower than the customary rate paid by BI-LO. The purchase must be disclosed on an Ethics Disclosure Form.

### **F. Use and Protection of Company Assets**

Proper protection and use of BI-LO assets, including proprietary and confidential information, is a fundamental responsibility of every Teammate. Company assets are to be used only for the legitimate business purposes of BI-LO and only by authorized Teammates or their designees.

**1. Electronic Communications and Information Security**: The use of all electronic communications and computer systems, and the information security concerns attendant to those systems, are governed by the BI-LO Electronic Communications and Information Security Policy. Electronic communications include but are not limited to electronic mail, voice mail, the Internet, electronic paging, and telephonic communications systems, as well as any communication over the Company’s computer system, including personal computers, laptop computers, personal data assistants (such as Palm Pilots or Blackberries), printers, scanners, modems, and fax machines. A copy of this policy may be obtained from Human Resources, or the Legal Department.

Effective: June 30, 2008

Supersedes all previous versions



## BI-LO Code of Ethics

### Core Rules & Principals

**2. Confidential Information:** BI/LO maintains confidential and proprietary information, which includes all non-public information that might be of use to BI-LO competitors, or harmful to the Company or the Company's customers, if disclosed. Information about BI-LO activities, strategies, and business data, for example, is proprietary. Such BI-LO confidential and proprietary information and data are important corporate assets in the operation of its business, and the Company prohibits the use or disclosure of this information, except when disclosure is authorized or legally mandated. Teammates must be careful not to disclose such information to unauthorized persons (i.e. persons who do not have a business need to know such information), either inside or outside the Company, and must exercise care to protect the confidentiality of such information received from any other party. Misuse of information entrusted to or made available to a Teammate by BI-LO or by other persons with whom BI-LO has a relationship is inappropriate as a business practice and could lead to civil and criminal prosecution of the individuals involved under various state and federal laws.

- If a Teammate believes that he or she has a legal obligation to disclose confidential or proprietary information in response to a subpoena or other legal process, that Teammate should contact the Legal Department or a member of the Ethics Committee prior to doing so.
- In addition to using proper judgment, Teammates should take the following actions to preserve the confidentiality of the Company's information:
  - Do not discuss or disclose confidential information in public places where you can be overheard such as elevators, hallways, restaurants, airplanes or taxicabs. Discussions relating to confidential information with persons entitled to that information should be confined to closed offices or other secure locations.
  - Do not read confidential documents in public places or discard them where they can be retrieved by others. Do not leave confidential documents in unattended conference rooms or where visitors can see them. Confidential information sent to others within or outside the Company should be placed in sealed envelopes.
  - Be aware that voices carry and that conversations conducted on speaker telephones in offices and on car or airplane telephones may be overheard easily.
  - Be aware that conversations about where Company personnel are traveling or the presence of certain visitors in the office may reveal confidential information.
  - Avoid sending or receiving confidential information by fax machines located in hotels, airport lounges, or the offices of third persons.
  - Under no circumstances are Teammates to provide confidential Company documents or information (including documents relating to the Company's customers, competitors or suppliers) to third parties without the express consent of their supervisor.

Effective: June 30, 2008

Supersedes all previous versions



## BI-LO Code of Ethics

### Core Rules & Principals

The above list gives examples of steps designed to insure confidentiality. In some situations, other steps may be necessary. Each Teammate is responsible for taking whatever practical steps are appropriate to preserve the confidentiality of information.

In signing the acknowledgment page of this Policy Guide, you agree that you will not, during or after your employment, disclose (other than in the proper performance of your duties as a BI-LO employee) any information, knowledge, data or property that you have obtained or developed as a BI-LO employee concerning the Company's business. You also agree that all analyses, charts, drawings, reports and other documents prepared by you or inventions or ideas developed or discovered by you in the course of your employment shall be BI-LO property. Upon termination of your employment you will return all Company documents (including data and documents on computer disks) and all copies thereof to the Company.

**3. Records Management:** All data, files, and records that concern the Company's business are property of the Company. The Company may review these documents at any time, with or without prior notice. All documents should be maintained in accordance with BI-LO's Document Retention Policy. A copy of this policy may be obtained from the Legal Department.

BI-LO prohibits any Teammate from:

- altering, destroying, mutilating, concealing, covering up, or falsifying any record, document, or tangible object with the intent to impede, obstruct, or influence any pending or likely government investigation or proceeding, or attempting to do so;
- assisting or encouraging anyone, including BI-LO's independent accountants, in destroying or altering corporate audit records, such as work papers, documents that form the basis of an audit or review, memoranda, correspondence, communications, other documents, and records (including electronic records) that are created, sent or received in connection with an audit or review and contain conclusions, opinions, analyses, or financial data relating to such audit or review.

**4. Recording Transactions.** BI-LO seeks to maintain a high standard of accuracy and completeness in its financial records. These records serve as the basis for managing the Company's business, for measuring and fulfilling its obligations to Teammates, customers, suppliers and vendors, and for compliance with tax and financial reporting requirements. These records are available for inspection by management and auditors at all times.

In the preparation and maintenance of records and to ensure the effectiveness of BI-LO internal controls over financial reporting, all Teammates must:

- make and keep books, invoices, records and accounts that accurately and fairly reflect the financial transactions of the Company;
- maintain accurate records of transactions, time reports, expense accounts and other financial records;
- comply with generally accepted accounting practices and principles;

Effective: June 30, 2008

Supersedes all previous versions



## BI-LO Code of Ethics

### Core Rules & Principals

- promptly and accurately record and properly document all accounting entries;
- comply with the system of internal controls over financial reporting devised, implemented and maintained by the Company to provide reasonable assurances that financial transactions are properly authorized, executed, recorded, processed, summarized and reported;
- report to BI-LO's Chief Financial Officer or member of the Ethics Committee any significant deficiencies or material weaknesses, including corrective actions, in the design or operation of the Company's internal controls over financial reporting, which could adversely affect the Company's ability to record, process, summarize and report financial data;
- report to BI-LO's Chief Financial Officer or member of the Ethics Committee any concerns regarding questionable accounting or auditing matters; and
- report to BI-LO's Chief Financial Officer or member of the Ethics Committee any fraud involving management or other Teammates of the Company who have a significant role in the Company's internal controls over financial reporting.

Teammates of BI-LO may not:

- intentionally distort or disguise the true nature of any transaction in recording and documenting accounting entries;
- make a representation, either in a document or in oral communication, that is not fully accurate; or
- establish any undisclosed or unrecorded funds or assets for any purpose.

Questions regarding this policy should be addressed to the Ethics Committee. Teammates of BI-LO are encouraged to submit any concerns or complaints regarding accounting, internal accounting controls or auditing matters to the Company's Hotline or to any member of the Ethics Committee.

**5. Insider Information:** Teammates of BI-LO may not purchase or otherwise trade in securities of any other publicly-traded company while in possession of material, non-public information. Material, non-public information is any information that could reasonably be expected to affect the price of stock or that a reasonable investor would find relevant, considering the total mix of available information. If a Teammate is considering buying the securities of any company, because of non-public information he or she possesses through his or her work at the Company, that Teammate should consider such information material and should not trade in those securities. In addition, that Teammate should not pass along such information to other parties who might use it to trade in any securities.

The federal securities laws and this Code prohibit a Teammate from "tipping" others (i.e. family or friends) regarding material, non-public information that such Teammate learns about a publicly traded company during the course of employment. Teammates who have questions about specific securities transactions that may impact this policy should contact the Legal Department or a member of the Ethics Committee.

Effective: June 30, 2008

Supersedes all previous versions



## BI-LO Code of Ethics

**Effective Date**

This Code of Ethics is effective on June 30, 2008.

APPROVED:

/s/ Brian Hotarek

President and Chief Executive Officer

/s/ Brian Carney

Executive Vice President and Chief Financial Officer

/s/ Skip Clark

Senior Director, Internal Audit

**Effective: June 30, 2008**

**Supersedes all previous versions**



**CODE OF ETHICS WAIVER REQUEST FORM**

Date: \_\_\_\_\_

Name of Teammate: \_\_\_\_\_

Title of Teammate: \_\_\_\_\_

Supervisor: \_\_\_\_\_

Code of Ethics Provision from which a waiver is sought: \_\_\_\_\_

Reasons for Waiver Request (attach additional sheets as necessary): \_\_\_\_\_

---



---



---



---



---



---



---



---



---



---



---



---



---



---



---



---



---



---



---



---



---



---

To be completed by Ethics Committee:<sup>1</sup>

Waiver Request was Granted/Denied on \_\_\_\_\_ (Date)

Additional Explanation, if needed: \_\_\_\_\_

---



---



---

<sup>1</sup> The Ethics Committee must keep one copy of the completed form and return the original to the Teammate.

**Effective: June 30, 2008**

**Supersedes all previous versions**



**CODE OF ETHICS CONFLICT OF INTEREST DISCLOSURE FORM<sup>1</sup>**

<b>Date</b>	
<b>Name of Teammate</b>	
<b>Title of Teammate</b>	
<b>Supervisor Name and Title</b>	

If, during the past twelve months or since the beginning of your employment with the Company, if that is a shorter period, you or any member of your family (i.e. immediate family member, in-law, or any person regularly residing in your home) has had any financial interest in or obligation to any outside enterprise which (**NOTE: You MUST respond to each statement below individually either negatively (circle no) or positively (circle yes – which require further detail below) and return as instructed:**

<i>Competes with the Company;</i>	Yes	No
<i>Sells services, goods, or other property to the Company;</i>	Yes	No
<i>Purchases services, goods, or other property from the Company and/or rents or leases property to or from the Company;</i>	Yes	No
<i>Purchases goods from or sells goods to one of the Company's suppliers and is in a position to influence any decision by the Company with respect to such supplier;</i>	Yes	No

If you responded (circled yes) positively to any of the above, you must describe the details of such arrangement, including, where relevant 1) the name and position of the family member, 2) the nature of the relationship of the family member to you, and 3) the relationship between you and/or your family member and the outside enterprise (attach additional sheets as needed) below and/or on additional sheets:


<sup>1</sup> The Teammate should keep one copy of this form and submit the original to the Ethics Committee.

\*\* Financial Interest includes any ownership interest in an entity, other than ownership of less than 1% of the outstanding securities of a publicly traded company.

**Effective: June 30, 2008**

**Supersedes all previous versions**

**CODE OF ETHICS DISCLOSURE FORM FOR GIFTS, FAVORS AND CONTRIBUTIONS  
TO OR FROM THIRD PARTIES**

(This is a sample copy of the BI-LO Ethics Disclosure Form, which can be accessed through Lotus Notes. If you cannot access this document through Lotus Notes, please contact your local Human Resources representative for a copy of the Disclosure Form.)

**CODE of ETHICS DISCLOSURE FORM**  
*MEALS, GIFTS & ENTERTAINMENT*

**FROM:** Catherine Stockwell/STOPANDSHOP/US/Ahold  
Associate Name(s) Department(s)

**TO:** Supervisors  
Chairman of Corporate Ethics Committee

**CC:** Maureen McGurl/STOPANDSHOP/US/Ahold President/CEO Stop & Shop  
Marc Smith/STOPANDSHOP/US/Ahold Executive Vice President  
Barry Berman/STOPANDSHOP/US/Ahold Executive Vice President  
Bill\_EVP\_Holmes/STOPANDSHOP/US/Ahold Executive Vice President  
Tom Hippler/STOPANDSHOP/US/Ahold Senior Vice President  
Rick Picarello/STOPANDSHOP/US/Ahold Executive Vice President  
Denise Kaplan/STOPANDSHOP/US/Ahold

<b>VENDOR NAME</b>	
<b>ACTIVITY TYPE</b>	<input checked="" type="radio"/> Event <input type="radio"/> Gift <input type="radio"/> Meal <input type="radio"/> Trip
<b>ACTIVITY DATE</b>	11/17/2003
<b>NOTIFICATION DATE:</b>	11/17/2003
<b>EVENT/TRIP DESCRIPTION</b>	

**Effective: June 30, 2008**  
**Supersedes all previous versions**



**SALES CONTEST APPROVAL FORM**

Date: \_\_\_\_\_

Supplier Sponsor: \_\_\_\_\_

Date and Duration of Contest: \_\_\_\_\_

If an annual or periodic contest, the date the contest started: \_\_\_\_\_

Benefit to Company: \_\_\_\_\_

Supplier Investment in Contest: \_\_\_\_\_

List of Prizes and Estimated value of each prize: \_\_\_\_\_

What Company Resources will need to be devoted to this Contest? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Description of Process and Contest Rules: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Method of Choosing Contest Winner: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

List of Judges: \_\_\_\_\_

Approvals Received:

Department Vice President: \_\_\_\_\_

SVP or EVP of Marketing: \_\_\_\_\_

Legal Department: \_\_\_\_\_

Any Teammate who wins prizes as part of this Contest must be given written notification of the fair market value of the prize and must pay income tax on the value of the prize.

**Effective: June 30, 2008**

**Supersedes all previous versions**



**CERTIFICATE OF ACKNOWLEDGEMENT**

I certify that I have read BI-LO Inc.'s Code of Ethics, that I agree to comply with all of its terms, and that I will complete any necessary disclosure forms required by the Code of Ethics. I agree that I will contact a member of the Ethics Committee should I have any questions or concerns about the Code of Ethics.

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Location: \_\_\_\_\_

*(Document store # or department name)*

**Effective: June 30, 2008**

**Supersedes all previous versions**