

# ROCKY MOUNTAIN CHOCOLATE FACTORY, INC.

## CODE OF CONDUCT

### I. General Statement of Policy

This Code of Conduct ("**Code**") has been adopted by the Board of Directors (the "**Board**") of Rocky Mountain Chocolate Factory, Inc. (the "**Company**") to provide ethical standards and policies by which all employees, officers and directors of the Company will conduct themselves in order to promote integrity and sound business practices.

It is the policy of the Company to comply with all applicable laws and to adhere to ethical standards in the conduct of our business. Each employee, officer and director is expected to read and understand this Code, uphold these standards in his or her corporate activities and take personal responsibility for compliance with all applicable policies and procedures. Because the principles described in the Code are general in nature, you should also review applicable Company policies and procedures for more specific guidance pertaining to particular topics discussed in the Code, including, but not limited to, the Company's Code of Ethics for Senior Financial Officers and the Company's Whistleblowing/Complaint Procedures for Auditing and Accounting Matters (the "**Complaint Procedures**"). Copies of the Complaint Procedures are available on the Company's website.

Employees, officers and directors are expected and required to comply with the letter and the spirit of all applicable laws and Company policies, whether or not specifically addressed within this Code. If questions arise regarding the interpretation, application, or existence of any law, they should be directed to the Company's chief financial officer ("**CFO**") or chief operating officer ("**COO**").

All statements contained in this Code are intended to reflect general policies, principles and procedures, do not represent contractual commitments on the part of the Company and may be changed by the Board, unilaterally, at any time. Without limiting the generality of the foregoing, nothing in this Code should be construed as providing any additional employment rights, employment contracts or terms of employment to any person.

### II. Business Practices and Legal Compliance

#### *A. Compliance With Laws and Regulations*

All employees must comply with all applicable laws, regulations, rules and regulatory orders applicable in the United States of America and in foreign, state and local jurisdictions where business is conducted, including, among others, securities laws, antitrust laws and other fair competition laws. Each employee, officer and director is expected to acquire appropriate knowledge of the requirements relating to his or her duties sufficient to enable him or her to recognize potential issues or violations and to know when to seek advice from the Company's CFO or COO on specific Company policies and procedures. Violations of laws, regulations, rules and orders may subject the employee, officer or director to individual criminal or civil liability, as well as to disciplinary action by the Company. Because such individual violations may also subject the Company to civil or criminal liability or the loss of business, the Company takes legal compliance measures seriously and works diligently to enforce them.

#### *B. Conflicts of Interest*

Each employee, officer and director has a responsibility to the Company, its shareholders and each other to perform job duties in pursuit of the Company's best interests and to refrain from letting personal interests influence, or appear to influence, business activities. Employees, officers and directors are responsible for recognizing and avoiding any situation involving a conflict of interest. In general, a conflict of interest exists when an employee's, officer's or director's duty to give undivided business loyalty to the Company may be prejudiced by actual or potential personal benefit from another source. Under Colorado law, with respect to directors, a conflict of interest

includes, but is not limited to any (i) loan or other assistance by the Company to a director of the Company, or an entity in which a director of the Company is a director or officer, or has a financial interest; (ii) guaranty by the Company of an obligation of a director of the Company or of an obligation of an entity in which a director of the Company is a director or officer, or has a financial interest; and (iii) contract or transaction between the Company and a director of the Company or between the Company and an entity in which a director of the Company is a director or officer, or has a financial interest. Employees, officers and directors should always strive to avoid even the appearance of a conflict of interest by avoiding any association or investment interest that interferes, might interfere, or might appear to interfere, with the independent exercise of judgment in the Company's best interests. Each employee, officer and director is responsible for taking appropriate action to eliminate or prevent such conflict or appearance of a conflict, including reporting the situation to the appropriate level of management or, in the case of directors, the full board of directors or an appropriate committee.

### ***C. Corporate Opportunities***

Employees, officers and directors may not exploit for their own personal gain corporate opportunities unless the opportunity is disclosed fully in writing to the Company's Board of Directors, and the Board of Directors explicitly declines to pursue such opportunity. The fact that a particular business opportunity is closely related to an existing line of business of the Company or represents a desirable avenue of expansion of Company activities is a strong indication that the Company might be interested in the opportunity. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

### ***D. Confidential Information***

The Company's confidential information is a valuable asset, and protecting that information is one of the most important obligations you have as an employee of the Company. An employee, officer or director may not disclose the Company's confidential information to anyone or use it to benefit anyone other than the Company without the prior written consent of an authorized Company officer. Also, an employee, officer or director should not disclose confidential or proprietary information or trade secrets to other employees of the Company except on a "need to know" basis. Should you have any questions as to whether information is confidential or proprietary, please seek advice from the Company's CFO or COO prior to disclosing such information.

### ***E. Intellectual Property***

In the performance of assigned duties, employees may develop ideas, formulae, inventions, designs, processes, trademarks or trade names, or create original works of authorship relating to the business of the Company ("***Intellectual Property***"). In consideration of the compensation paid to each employee by the Company, it is the understanding between the Company and each employee that the Company will have certain rights in the Intellectual Property. Where the subject matter of such Intellectual Property (i) results from or is suggested by any activity which the employee may do for or on behalf of the Company, (ii) is created, invented or developed on Company time or using the Company's facilities or property or (iii) is related to the Company's business, the employee shall assign all rights in such Intellectual Property to the Company.

### ***F. Regulatory, Public and Other Disclosures***

The Company endeavors to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and other regulatory authorities and in any and all public communications made by the Company. All employees, officers and directors who are involved in, among other things, the Company's financial and operating matters and disclosure process are responsible for acting in furtherance of this policy. In particular, these individuals are required to maintain familiarity with financial reporting and disclosure requirements applicable to the Company and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit material facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors. In addition, any employee who has a supervisory role in the Company's financial or operating reporting and

disclosure process has an obligation to discharge his or her responsibilities diligently pursuant to applicable law, regulations and listing requirements.

#### ***G. Maintaining and Managing Records***

Records may include, among others, paper documents, electronic documents, emails, compact disks, computer hard disks, floppy disks, microfiche, microfilm and audio recordings. The Company is required by local, state, federal, foreign and other applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, officers, directors, agents, contractors and the Company, and failure to comply with such guidelines may subject the employee, agent or contractor to disciplinary action, up to and including termination of employment or business relationship at the Company's sole discretion. The Company must make and retain books, records and accounts that, in reasonable detail, fairly reflect the Company's transactions and the disposition of its assets, conforming to applicable legal and applicable accounting requirements. No entry may be made on the Company's books and records that misrepresents, hides or disguises any transaction. Employees, officers and directors should consult with the Company's CFO or COO for assistance in reviewing applicable retention guidelines and applicable laws, regulations and listing requirements or the propriety of disposing of a Company record.

#### ***H. Securities Laws and Insider Trading***

It is against Company policy for any individual to profit from material undisclosed information relating to the Company or any company with which the Company does business. If an employee, officer or director is in possession of material inside information that the Company has not yet disclosed to the public, he or she generally may not purchase or sell any of the securities of the Company or "tip" others to trade in Company stock. Material inside information is generally defined as facts that have not been disclosed to the public that would influence a reasonable investor's decision to buy or sell a company's stock or other securities. Also, if an employee, officer or director has inside or unpublished knowledge about any of the Company's public-company suppliers, customers or any other public company that the Company does business with, he or she may not purchase or sell securities of those companies or tip others to do so. We urge you to contact the Company's CFO or COO if you are unsure as to whether or not you are free to trade under a particular set of circumstances.

#### ***I. Fair Dealing***

The Company is committed to obeying both the letter and the spirit of the many laws designed to encourage and protect free and fair competition. The Company has a history of succeeding through honest business competition and does not seek competitive advantages through illegal or unethical business practices. Each employee, officer and director should endeavor to deal fairly with the Company's clients, service providers, suppliers, competitors and employees.

#### ***J. Discrimination and Sexual Harassment***

The Company believes the fair and equitable treatment of employees is critical in fulfilling its vision and goals. It is the policy of the Company to treat each employee, officer, director business affiliate and customer fairly and generally without regard to race, religion, color, age, gender, disability, national origin, martial status, citizenship status or veteran status as required by applicable laws and regulations. This applies to recruitment, hiring, job assignment, compensation, training, termination and all other aspects of employment. No form of harassment or unlawful discrimination against anyone on the basis of sex, race, color or national origin, age, religion, lifestyle or any other legally protected status will be tolerated.

### **III. Dissemination and Enforcement of the Code**

Current versions of the Code will be distributed periodically to all employees, officers and directors of the Company. Compliance with the Code is, first and foremost, the individual responsibility of every employee. The

Company seeks to foster an environment in which ethical issues and concerns may be raised and discussed with supervisors or others without fear of retribution.

Each employee, officer and director has the right and the responsibility to question or challenge situations in which he or she suspects that something improper, unethical or illegal is occurring. Employees, officers and directors are expected to report what they believe in good faith to be a violation of law or Company policy, whether accidental or deliberate, to their immediate supervisor. If the reporting individual is not satisfied with the supervisor's response, or requires an alternative means of reporting a violation, he or she may report the matter directly to the Company's CFO or COO, or make use of the anonymous complaint process set forth in the Company's Complaint Procedures. We encourage employees, officers and directors to err on the side of reporting rather than letting a possible violation go uncorrected. A knowing failure to report a violation may itself be a violation of the Code. Upon learning of a credible suspected violation of law or Company policy, supervisors must communicate the report to more senior management and, where appropriate, to the Company's CFO or COO, so that the substance of the report may be investigated.

An employee, officer or director who in good faith raises an issue regarding a possible violation of law or Company policy will not be subject to retaliation, and his or her anonymity and the confidentiality of the report will be protected to the extent possible, consistent with the law, corporate policy and the requirements necessary to conduct an effective investigation. For further details and guidance on complaints or concerns regarding accounting or auditing matters, please consult the Company's Procedures for Whistleblowing/Complaint Procedures for Complaints Accounting and Auditing Matters.

For purposes of this Code, directors should make any reports or inquiries regarding Code violations or other improper behavior to the Chair of the Audit Committee of the Board of Directors or as otherwise appropriate. Any waiver of any provision of this Code for a director or an executive officer of the Company must be approved in writing by the Board of Directors and promptly disclosed to shareholders to the extent required by applicable law, regulations and listing requirements, along with reasons for the waiver.

We expect all of our employees, officers and directors to adhere to these policies in carrying out their duties for the Company. Appropriate action will be taken against anyone whose actions are found to violate these policies. No improper or illegal behavior will be justified by a claim that it was ordered by someone of higher authority. No one, regardless of position, is authorized to direct an employee to commit a wrongful act. Any officer, manager or supervisor who directs, approves or condones infractions, or has knowledge of them and does not act promptly to correct them in accordance with this Code, will also be subject to disciplinary action. It is each employee's responsibility to resolve with the Company's CFO or COO, or in the case of the directors with the Audit Committee of the Board of Directors, any potential conflicts with this Code.

#### **IV. Acknowledgement of Receipt of the Code of Conduct for Officers, Directors and Employees**

I have received and read the Code for officers, directors and employees. I am familiar with the standards and policies contained in the Code and understand that there may be additional policies or laws specific to my position. I agree to comply with the applicable Code requirements, adhere to Code principles and standards, and promptly report to the Company's CFO or COO, or those otherwise designated in the Code, any information concerning Code violations.

If I have questions concerning the meaning or application of Code provisions, any Company policies, or the legal and regulatory requirements applicable to my position, I understand that I can consult my supervisor, manager or the Company's CFO or COO, or those otherwise designated in the Code, about any information concerning Code violations with the expectation that my questions or reports to these sources will be maintained in confidence to the extent practicable.