

Code of Business Conduct and Ethics

I. INTRODUCTION

This Code of Business Conduct and Ethics summarizes long-standing principles of conduct Tootsie Roll Industries, Inc. and its subsidiaries (TRI) follow to ensure our business is conducted with integrity and in compliance with the law. Every employee, officer and director is expected to know and follow the policies outlined in this Code of Business Conduct and Ethics. Any employee or officer who violates the letter or spirit of these policies is subject to disciplinary action, up to and including termination.

Every TRI employee, officer and director has the responsibility to obey the law and act ethically. To that end, this Code of Business Conduct and Ethics is a guide that is intended to sensitize employees, officers and directors to significant legal and ethical issues that arise frequently and to the mechanisms available to report illegal or unethical conduct. It is not, however, a comprehensive document that addresses every legal or ethical issue that an employee, officer or director may confront, nor is it a summary of all laws and policies that apply to TRI's business. Ultimately, no code of business conduct and ethics can replace the thoughtful behavior of an ethical employee, officer or director.

If you have any questions about this Code of Business Conduct and Ethics or are concerned about conduct you believe violates TRI's policies or the law, you should consult with an executive officer. No one at TRI has the authority to make exceptions to these policies, other than our Chairman or President; exceptions relating to executive officers or directors must be approved by the full Board of Directors.

II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Employees, officers and directors must comply fully with all applicable foreign, federal, state and local laws, rules and regulations that govern TRI's business conduct, including, without limitation, antitrust laws, employee health and safety laws, environmental laws, insider trading laws and the Foreign Corrupt Practices Act.

Kickbacks, bribes or other illegal consideration are never acceptable and must never be either given or accepted by anyone acting on behalf of TRI. Political payments in foreign countries pose special legal problems. Employees engaged in foreign operations should never make any payment to a governmental official, agency, instrumentality or political party unless such payment has been approved in advance by the Chairman and President.

III. PROHIBITION AGAINST INSIDER TRADING

In general, employees, officers and directors who have access to, or knowledge of, material nonpublic information from or about TRI are prohibited from buying, selling or otherwise trading in TRI's stock or other securities. "Material nonpublic" information includes any information, positive or negative, that has

not yet been made available or disclosed to the public and that might be of significance to an investor, as part of the total mix of information, in deciding whether to buy or sell stock or other securities.

Such insiders also are prohibited from giving "tips" on material nonpublic information, that is directly or indirectly disclosing such information to any other person, including family members, other relatives and friends, so that they may trade in TRI's stock or other securities. Furthermore, if, during the course of your service with TRI, you acquire material nonpublic information about another company, such as one of our customers or suppliers, or you learn that TRI is planning a major transaction with another company (such as an acquisition), you are restricted from trading in the securities of the other company. Such "insider trading" is both unethical and illegal, with criminal and civil penalties.

IV. CONFLICTS OF INTEREST

Business decisions must be made in the best interest of TRI, not motivated by personal interest or gain. Therefore, as a matter of TRI policy, all employees, officers and directors must avoid any actual or perceived conflict of interest. A "conflict of interest" occurs when an individual's personal interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of TRI. A conflict of interest situation can arise when an employee, officer or director takes actions or has interests (financial or other) that may make it difficult to perform his or her company work objectively and effectively. Conflicts of interest also may arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in TRI, regardless of whether such benefits are received from TRI or a third party. No employee, officer, director or member of their family may accept gifts, favors, employment or otherwise establish financial ties that may create an obligation, either stated or implied, to a vendor, broker, customer or competitor. All such relationships, whether or not they create a conflict of interest, must be disclosed to the Vice President of Finance, Treasurer, Chairman or President.

It is difficult to identify exhaustively what constitutes a conflict of interest. For this reason, employees, officers and directors must avoid any situation in which their independent business judgment might appear to be compromised. Questions about potential conflicts of interest situations, and disclosure of these situations as they arise, can be discussed with an executive officer, and should be reported to the Chairman or President.

V. CORPORATE OPPORTUNITIES

Employees, officers and directors are prohibited from: (a) taking for themselves personally opportunities that properly belong to TRI or are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) engaging directly or indirectly through a family member, associate or by taking a financial interest in any business that

could compete with TRI or its products. Employees, officers and directors owe a duty to TRI to advance its legitimate interests when the opportunity to do so arises.

VI. CONFIDENTIALITY

Employees, officers and directors must maintain the confidentiality of all information entrusted to them by TRI, our customers, sales brokers, or suppliers, or others with whom we may conduct business, except when disclosure of such information is specifically authorized by an executive officer of TRI or required as a matter of law.

Confidential information includes any information that has not been made available to the public that provides insight into our current or anticipated business activities. It also includes important nonpublic information about firms with which we have dealings, including customers, sales brokers and suppliers. You should not share confidential information with friends, relatives or other non-employees, or discuss confidential matters in public places, such as elevators, public transportation (including airplanes) or restaurants.

VII. FAIR DEALING

Each employee, officer and director must endeavor to deal fairly and in good faith with TRI's customers, sales brokers, suppliers, competitors and employees. No employee, officer or director shall take unfair advantage of anyone or engage in any other unfair dealing practices. Absent compelling special circumstances, all vendors and contractors should be selected on the basis of written competitive bids.

TRI's policy is to select, place and work with all our employees and officers without discrimination based on race, color, national origin, gender, age, religion, disability, veteran's status or sexual orientation. Equal opportunity is a firm and basic belief of TRI.

Further, it is the responsibility of each of us to help TRI provide a work atmosphere free of harassing, abusive, disrespectful, disorderly, disruptive or other nonprofessional conduct. Sexual harassment in any form, verbal or physical, by any employee, officer or director will not be tolerated. A violation of this policy will be treated with appropriate discipline, up to and including termination.

VIII. SAFETY AND ENVIRONMENT

Safety is always a primary goal. All employees are responsible for ensuring that the operations of the company are conducted in a safe manner and that all corporate safety rules and practices are adhered to in the workplace. Any violations or unsafe conditions should be promptly brought to a supervisor's attention. In addition, employees must remain committed to adhering to the law and taking all other reasonable steps to preserve and enhance the environment, public health and safety.

IX. PROTECTION AND PROPER USE OF COMPANY ASSETS

All employees, officers and directors must protect TRI's assets and ensure their efficient use. Such assets include, without limitation, intellectual property such as the TRI name, logos, trademarks, patents, copyrights, confidential information including sales and other EDP data, manufacturing processes and formulae, ideas, plans and strategies. Theft, carelessness and waste have a direct impact on TRI's profitability. All company assets should be used only for legitimate business purposes. Any misuse or infringement of TRI's assets should be reported to the Chairman or President.

X. PUBLIC COMPANY REPORTING

As a result of our status as a public company, TRI is required to file periodic and other reports with the Securities and Exchange Commission. TRI takes its public disclosure responsibility seriously. To that end, each employee participating in TRI's public reporting must take all reasonable steps to ensure that these reports furnish the marketplace with full, fair, accurate, timely and understandable disclosure regarding the financial and business condition of TRI. No employee should ever create or assist anyone in creating a false or misleading entry in any book or business record including expense or employee time reports. Unrecorded assets or liabilities such as "hidden" funds are never permitted. The Chairman, President or Vice President of Finance must promptly bring to the attention of the Board of Directors any information he or she may have concerning (i) significant deficiencies in the design or operation of internal controls that could adversely affect TRI's ability to record, process, summarize and report financial data or (ii) any fraud, whether or not material, involving management or other employees who have a significant role in TRI's financial reporting, disclosures or internal controls.

XI. REPORTING ILLEGAL OR UNETHICAL BEHAVIOR

All employees, officers and directors have a duty to adhere to this Code of Business Conduct and Ethics.

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about possible illegal or unethical behavior that has occurred and, when in doubt, about the best course of action in a particular situation.

If you are concerned about a violation of this Code of Business Conduct and Ethics or other illegal or unethical conduct by employees, officers or directors of the Company, contact the Vice President of Finance, Treasurer, Chairman or President or report such information via the TRI telephone "hotline." A separate e-mail address is set-up for each of the above executive officer. Confidentiality will be maintained to the fullest extent possible.

No employee will be penalized for making a good-faith report of violations of this Code of Business Conduct and Ethics or other illegal or unethical conduct, nor will we tolerate retaliation of any kind against anyone who makes a good-faith report. An employee, officer or director who submits a false report of a violation, however, will be subject to disciplinary action. If you report a violation and in some way also are involved in the violation, the fact that you stepped forward will be considered. All reports of violations will

be reviewed and investigated. You should not investigate on your own but leave such work to the appropriate persons chosen by the Chairman and President. If the result of an investigation indicates that corrective action is required, TRI will decide what steps to take, including, when appropriate, legal proceedings and disciplinary action up to and including termination, to rectify the problem and avoid the likelihood of its recurrence.

XII. RELATIONSHIP TO COMPANY POLICIES

This Code of Business Conduct and Ethics does not supercede, change, alter or replace the existing policies and procedures already in place and communicated to TRI's employees, officers and directors. This Code of Business Conduct and Ethics are statements of goals and expectations for individual and business conduct. They are not intended to, and do not in any way constitute, an employment contract or an assurance of continued employment. TRI does not create any contractual rights by issuing this Code of Business Conduct and Ethics.

XIII. AMENDMENT, MODIFICATION AND WAIVER

This Code of Business Conduct and Ethics may be amended, modified or waived by the Board of Directors. Any change to, or waiver of, this Code of Business Conduct and Ethics for executive officers or directors must be disclosed promptly to our stockholders either by a Form 8-K filing or by publishing a statement on our website.

XIV. ACKNOWLEDGMENT

Employees, officers and directors are accountable for knowing and abiding by these policies. TRI may require that employees, officers and directors sign an acknowledgment confirming that they have received and read this Code of Business Conduct and Ethics, understand it and are complying with it. TRI also may require certain supervisory personnel to complete an annual questionnaire regarding their knowledge of any potential or actual violations of this Code of Business Conduct and Ethics.