

PYRAMID BREWERIES INC.

CODE OF CONDUCT OF OFFICERS, DIRECTORS AND EMPLOYEES

I. GENERAL STATEMENT OF POLICY

This Code of Conduct ("**Code**") has been adopted by Pyramid Breweries Inc. and its affiliates (the "**Company**") to provide ethical standards and policies by which officers, directors and employees of the Company will conduct themselves in order to promote integrity and sound business practices. These standards are linked closely to our corporate culture and vision and are intended to provide guidance to persons functioning in managerial or administrative capacities, as well as to all employees.

The integrity, reputation and profitability of the Company ultimately depend on the individual actions of our employees, representatives, officers, directors, agents and consultants. 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 director, officer and employee is expected to read and understand this Code, uphold these standards in daily 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 the Company's policies and procedures for more specific guidance relating to particular topics discussed in the Code.

In furtherance of the Company's commitment to ethical standards, management intends to periodically review and update our policies and procedures. Therefore, this Code is subject to modification. In the event of any inconsistency between the Code and any other Company policies, procedures, instructions, practices, rules or written or verbal representations regarding matter within the scope of Code, the Code will govern such matters.

The guidelines in this Code are neither exclusive nor comprehensive. Because the business and legal environment in which the Company operates is complex, it would be impossible to formulate a single policy that would govern all possible situations. Directors, officers and employees are required to comply with the letter and the spirit of all applicable laws and 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 or Human Resources Manager.

II. BUSINESS PRACTICES AND LEGAL COMPLIANCE

A. Compliance with Laws and Regulations

Each officer, director and employee must comply with all laws, regulations, rules and regulatory orders applicable in the country, state and local jurisdictions where business is conducted, including securities laws, antitrust laws and other fair competition laws. Each officer, director and employee is expected to acquire appropriate knowledge of the requirements relating to his or her duties sufficient to recognize potential issues or violations and to know when to seek advice from the Company's Chief Financial Officer or Human Resources Manager on specific Company policies and procedures. Violations of laws, regulations, rules and orders may subject the employee 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 officer, director and employee 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. Directors, officers and employees are responsible for recognizing and avoiding any situation involving a conflict of interest. A conflict of interest exists when an individual's duty to give undivided business loyalty to the Company may be prejudiced by actual or potential personal benefit from another source. Company directors, officers and employees must 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.

Situations that may pose a conflict of interest or an appearance of a conflict of interest include, but are not limited to, the following:

1. Investing in any entity that sells products or services similar to the Company's, or any entity doing or seeking to do business with the Company, an exception being a relatively small investment in securities widely held by the general public;
2. Working for, or on behalf of, any entity that competes or potentially competes with the Company;
3. Placing Company business with relatives or friends, or working on a Company project that will have a direct impact on the financial interests of relatives or friends;

4. Encouraging entities dealing with the Company to buy supplies or services from you or your relatives or friends;
5. Borrowing money from entities doing or seeking to do business with the Company, an exception being a bank where the borrowing is on generally available terms;
6. Participating in the regulatory or other activities of a community or governmental body that may have a direct impact on the business of the Company;
7. Directly hiring or supervising a relative;
8. Engaging in a personal relationship with another employee or vendor that affects one's ability to do one's job or disrupts the workplace;
9. Serving as a director, partner or owner of any entity that competes with the Company; and
10. Accepting gifts or gratuities valued in excess of fifty dollars (\$50) from any customer, vendor, supplier, or other person doing business with the Company.

Each individual is responsible for recognizing situations in which a conflict of interest or the appearance of a conflict of interest is present or might arise and 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. Where an employee believes it is not possible to avoid any of these situations, or to avoid any other potential conflict of interest, the employee must inform his or her supervisor and make full written disclosure (in advance whenever possible) to the Company's Chief Financial Officer or Human Resources Manager. Where a director or officer believes it is not possible to avoid any of these situations, or to avoid any other potential conflict of interest, the director or officer must inform the Board or the Audit Committee and make full written disclosure (in advance, whenever possible) to such body.

C. Corporate Opportunities

Officers, directors and employees may not exploit for their own personal gain opportunities that are discovered through the use of Company property, information or position 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 expansion of Company activities is a strong indication that the Company might be interested in the opportunity. Officers, directors and employees owe a duty to the Company to advance the Company's 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 officer, director or employee of the Company. Upon joining the Company, each officer and employee signs an acknowledgement that they have reviewed the Company's employee handbook and agree to protect and hold confidential the proprietary information of the Company and its affiliates. This agreement remains in effect for as long as the officer or employee works for the Company and after the officer or employee leaves the Company. Under these agreements, the officer or employee 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, the officer or employee may not disclose confidential or proprietary information or trade secrets to other employees of the Company or its affiliates except on a "need to know" basis. For further details and guidance on the Company's confidentiality policy, please see the section on "Confidential Information" in the Company's employee handbook.

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 the Company time or using the Company's facilities, or (iii) is related to the Company's business, the employee shall assign all rights in such Intellectual Property to the Company.

F. Financial Statements and Public Disclosures

The Company must present its financial information in conformity with generally accepted accounting principles (GAAP). This financial information serves as the basis for managing the Company's business, measuring and fulfilling Company obligations, and complying with tax and financial reporting requirements. Financial reports, accounting records, research reports, expense accounts, time sheets and other documents must represent the relevant facts or the nature of the relevant transactions. Accounting and financial reporting practices must be fair and proper, in accordance with GAAP where necessary, and use management's best judgment where necessary.

The Company endeavors to provide full, fair, accurate, timely and understandable disclosures in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the "**SEC**") and in other public communications made by the Company. Clear, open and frequent communication among all management levels and personnel on all significant financial and operating matters substantially reduces the risk of problems in the accounting and financial reporting areas and helps achieve these goals. All management-level employees are expected to be aware of these risks and to communicate accordingly. Internal controls will be adopted from time to time by management as needed to further assist in preventing and detecting errors and fraud, promoting accuracy and completeness in financial records and providing full, fair, accurate, timely and understandable disclosure in periodic reports and other public communications.

G. Securities Laws and Insider Trading

It is against Company policy for any officer, director or employee to profit from material undisclosed information relating to the Company or any entity with which the Company does business. If an officer, director or employee is in possession of material inside information that the Company has not yet disclosed to the public, he or she may not purchase or sell any of the securities of the Company or advise ("tip") others to trade or not trade in Company securities. Material inside information is defined as facts that have not been disclosed to the public that would influence a reasonable investor's decision to buy or sell the Company's stock or other securities. Also, if an officer, director or employee 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 buy or sell securities of those companies or tip others to do so.

Insider trading is a crime, subject to fines of up to \$5,000,000 and 20 years in jail for individuals. In addition, the SEC may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from the trading. Insider traders must also disgorge any profits made and are often subjected to an injunction against future violations. Insider traders may further be subjected to civil liability in private law suits.

Moreover, U.S. securities laws provide for penalties not only for those who engage in insider trading, but also for those controlling persons who fail to take appropriate action when they either knew or should have known that persons within their control were violating these rules. Controlling persons, including supervisory personnel, may face penalties of the greater of \$5,000,000 or three times the profits made or losses avoided by the trader if they recklessly fail to take preventive steps to control insider trading. Therefore, it is essential that employees be alert to those situations when others within the Company (particularly those over whom the employee has some supervisory authority) may not be observing the rules of insider trading. We urge you to contact the Company's Chief Financial Officer or Controller if you are unsure as to whether or not you are free to trade under a particular set of

circumstances. For further details and guidance, please read the Company's Insider Trading Policy.

H. Antitrust Laws

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 United States antitrust laws prohibit agreements or actions in "restraint of trade," defined as restrictive practices that may reduce or hinder competition. These laws require that the Company business decisions must be made and activities undertaken without any agreement or coordination with competitors or potential competitors. Among those agreements and activities constituting clear violations are agreements and understandings to fix or control prices and other terms of sale, to allocate products, territories or markets, or to limit the production or sale of products. Accordingly, employees must take great care to avoid any communications with the Company's competitors with respect to these types of matters.

Violations of the antitrust laws are criminal offenses and may result in substantial fines and imprisonment.

The antitrust laws also regulate conduct with suppliers. For example, resale price agreements are prohibited, and the Robinson-Patman Act prohibits price discrimination in the sale of goods by suppliers and knowingly inducing or receiving discriminatory pricing by buyers. Individuals involved in pricing discussions with suppliers must be knowledgeable with respect to the price discrimination rules and must consult with the Company's Chief Financial Officer as issues arise.

No employee, agent or contractor of the Company may enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts, other terms or conditions of sale, profits or profit margins, costs, allocation of product or geographic markets, allocation of customers, limitations of production, boycotts of customers or suppliers, bids or the intent to bid or even discuss or exchange information on these subjects. In some cases, legitimate joint ventures with competitors may permit exceptions to these rules, as may bona fide purchases from or sales to competitors of non-competitive products, but the Company's Chief Financial Officer must review all such proposed ventures or arrangements in advance. Collusion among competitors is illegal, and the consequences of a violation are severe and may include termination and possible criminal prosecution.

Although the spirit of antitrust laws is straightforward, their application to particular situations can be quite complex. To ensure that the Company complies with these laws, each officer, director and employee of the Company should consult with the Company's Chief Financial Officer early on when questionable situations arise.

I. Political Activity

The Company reserves the right to communicate its position on important issues to elected representatives and other government officials. It is the Company's policy to comply with all local, state, federal, foreign and other applicable laws, rules and regulations regarding political contributions. The Company's funds or assets must not be used for, or be contributed to, political campaigns or political practices under any circumstances without the prior written approval of the Company's Chief Financial Officer and, if required, the Board of Directors. If employees, officers or directors engage in personal political activity on their own time, they must take particular care not to imply that they are acting on behalf of the Company.

J. Maintaining and Managing Records

The Company maintains a record retention policy. The purpose of this policy is to set forth the Company's business and legal requirements in managing records, including all recorded information regardless of medium or characteristics. Records may include 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, 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 requirements and, where necessary, GAAP. No entry may be made on the Company's books and records that misrepresents, hides or disguises any transaction. The Company's books and records should be retained for the period of time specified in applicable record retention guidelines. After that time, books and records may be disposed of unless required to be retained in connection with pending litigation or a pending investigation. Employees should consult with the Company's Controller for assistance in reviewing applicable retention guidelines or the propriety of disposing of a Company record.

K. Discrimination and Sexual Harassment

The Company believes the fair and equitable treatment of employees is an important component of its culture and values. It is the policy of the Company to treat each employee, supplier and customer without regard to the sex, race, ethnicity, sexual orientation, physical or mental disability, age, religion, veteran status, national origin of such person, or any other

classification prohibited by law. The Company's policy is to recruit, hire, train, promote, assign, transfer, lay off and terminate employees based on their own abilities, achievements, experience and conduct without regard to any illegal or unethical classifications.

No form of harassment or unlawful discrimination against anyone on the basis of sex, race, ethnicity, sexual orientation, physical or mental disability, age, pregnancy, religion, veteran status, national origin or any other legally protected status will be tolerated. This includes any demeaning, insulting, embarrassing or intimidating behavior directed at an individual on the basis of any of the foregoing.

If you believe that you or another person may have been subjected to harassment or discrimination or if you believe that the conduct of any person at the workplace violates any aspect of this policy, you must report such conduct or statements to the Company's Chief Financial Officer or Human Resources Manager. Each allegation of harassment or discrimination will be promptly investigated in accordance with Company policy.

L. No Contractual Rights

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 at any time. Without limiting the generality of the foregoing, nothing in this Code provides any additional employment rights, employment contracts or terms of employment to any person or modifies in any way the "employment at will" doctrine as it applies to the Company and its employees.

III. DISSEMINATION AND ENFORCEMENT OF THE CODE

A. Dissemination and Compliance Certification

Current versions of the Code will be distributed in hard copy periodically to all officers, directors and salaried employees of the Company and its subsidiaries. A current version of the Code will be available to all employees to reference on the Company's website. Upon receipt of a hard copy of the Code, officers, directors and salaried employees must sign the acknowledgement form at the end of the Code and return it to the Company's Human Resources Manager indicating that each has read, understand, and agree to comply with the Code.

B. Routine Monitoring

Compliance with the Code is, first and foremost, the individual responsibility of every officer, director and 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. Managers and supervisors have key roles in assuring employee

compliance with the Code and remaining accessible and open to discuss employee ethical concerns. All management-level employees are expected to demonstrate their personal commitment to the Company's standards of conduct and to manage their employees accordingly.

The Company will require an annual Code of Conduct Certification from all officers, directors, full-time salaried employees, and others who may be designated because of the nature of their work, stating that they have complied with the Code, brought it to the attention of everyone under their supervision whose acts or failures to act could contribute to a violation of policy, and know of no violations that have not been disclosed.

C. Reporting of Illegal and Unethical Behavior

You have the right and the responsibility to question or challenge situations in which you suspect that something improper, unethical or illegal is occurring. You are expected to report what you believe in good faith to be a violation of law or Company policy, whether accidental or deliberate, to your immediate supervisor. If you are not satisfied with your supervisor's response or if you require an alternative means of reporting a violation, you may report the matter directly to the Company's Chief Financial Officer or Human Resources Manager. We encourage you 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 employee's report to more senior management and, where appropriate, to the Company's Chief Executive Officer or Chief Financial Officer, so that the substance of the report may be investigated.

You may confront an ethical issue that neither this Code nor other Company policies expressly address. Employees should feel comfortable contacting a member of management, a supervisor, the Company's Chief Financial Officer or Human Resources Manager for guidance in such situations. Any employee who in good faith raises an issue regarding a possible violation of law or Company policy will not be subject to retaliation, and their confidentiality will be protected to the extent possible, consistent with law, corporate policy and the requirements necessary to conduct an effective investigation. Allegations will be investigated promptly by the Company's Chief Executive Officer or Chief Financial Officer and, if appropriate, reported to authorities. To facilitate implementation of this Code, officers, directors and employees have a duty to cooperate with the investigation process and to maintain the confidentiality of investigative information unless specifically authorized to disclose such information. Please consult the Company's Whistleblowing / Complaint Procedures and the Company's Code of Ethics.

D. Waivers

Any waiver of any provision of this Code for a director or an officer of the Company must be approved in writing by the Board of Directors and shall be publicly disclosed on a timely basis, to the extent required by applicable rules and regulations of the Securities and Exchange Commission and The Nasdaq Stock Market, Inc. Any waiver of any provision of this Code with respect to any other employee, agent or contractor must be approved in writing by the Company's Chief Financial Officer.

E. Penalties for Violations of the Code

The matters covered in this Code are important to the Company, its shareholders and its business partners. We expect all of our officers, directors and employees 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 director, officer, manager or supervisor who directs, approves or condones infractions, or has knowledge of them and does not act promptly to report and correct them in accordance with this Code, will also be subject to disciplinary action. It is each person's responsibility to resolve with the Company's Chief Executive Officer or Chief Financial Officer or, in the case of directors, the Board, any potential conflicts with this Code.

Upon receiving reports of alleged violations of the Code, the Company will weigh relevant facts and circumstances, including but not limited to the extent to which the behavior was contrary to the express language or general intent of this Code or other Company policies, the nature and severity of the violation, whether the violation was a single occurrence or involved repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the person in question had been advised prior to the violation as to the proper course of action, the alleged violator's history with the Company and other factors which the Company deems relevant.

Disciplinary actions may range from censure to revocation of privileges to re-assignment, demotion, suspension or termination of employment or business relationship at the Company's sole discretion. Where the Company has suffered a loss, it may pursue legal remedies against the persons or entities responsible. Where laws have been violated, the Company will cooperate with the appropriate authorities. In some cases, the Company may have a legal or ethical obligation to call violations to the attention of external enforcement authorities.

VIII. ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT OF OFFICERS, DIRECTORS AND EMPLOYEES

I have received and read my personal copy of the Company's Code of Conduct of Officers, Directors and Employees ("**Code**"). 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 Human Resources Manager 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 Human Resources Manager with the expectation that my questions or reports to these sources will be maintained in confidence to the extent practicable.

Name

Signature

Date