

DEPARTMENT: INTERNAL AUDIT**SOP# II-031**

Revision: 2.0

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Approved by: Executive Committee

Title: CODE OF ETHICS (CEO and CFO)**Policy:** This policy defines expected standards of business behavior for Alto Ingredients' Chief Executive Officer, Chief Financial Officer and other senior financial officers.**Purpose:** Alto Ingredients, Inc. ("Alto Ingredients") has a Code of Ethics (*II-030 Code of Ethics*) applicable to all Directors, officers, consultants and employees within Alto Ingredients and its subsidiaries. The Chief Executive Officer, the Chief Financial Officer and other senior financial officers are bound by the provisions set forth therein relating to ethical conduct, conflicts of interest and compliance with law. In addition to the Code of Ethics, the CEO, CFO and senior financial officers are subject to additional responsibilities as defined in this policy.**Scope:** This policy applies to Alto Ingredients' Chief Executive Officer, Chief Financial Officer and all senior financial officers.**Procedures:****1.0 Definition**

The CEO, CFO and all senior financial officers are responsible for full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by Alto Ingredients with the Securities and Exchange Commission. Accordingly, it is the responsibility of the CEO, CFO and each senior financial officer promptly to bring to the attention of the Audit Committee any material information of which he or she may become aware that affects the disclosures made by Alto Ingredients in its public filings or otherwise assist the Audit Committee in fulfilling its responsibilities. To ensure that accurate financial and administrative information is maintained, the CEO, CFO and each senior financial officer should oversee that employees and consultants are not permitted to take any action that would result in the inaccurate recording of entries in Alto Ingredients' books, records and ledgers. For example, Alto Ingredients requires that:

- no entry be made in Alto Ingredients' books and records that intentionally disguises the nature of a transaction or Alto Ingredients' liabilities, or misclassifies transactions as to accounts or accounting periods;
- all transactions be supported by appropriate documentation;
- the terms of sales and other commercial transactions be reflected accurately in the documentation for those transactions and Alto Ingredients' books and records accurately reflect such documentation;

- no cash or other assets be maintained for any purpose in any unrecorded or “off-the-books” fund.

The CEO, CFO and each senior financial officer shall promptly bring to the attention of the Audit Committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal controls which could adversely affect Alto Ingredients’ ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in Alto Ingredients’ financial reporting, disclosures or internal controls.

Alto Ingredients’ accounting records are also relied upon to produce reports for Alto Ingredients’ management, stockholders and creditors, as well as for governmental agencies. In particular, Alto Ingredients relies on accounting and other business and corporate records in preparing the periodic and current reports that are filed with the Securities and Exchange Commission (or equivalent government agencies outside of the United States). These reports must provide accurate, timely and understandable disclosure and fairly present Alto Ingredients’ financial condition and results of operations in all material respects.

The CEO, CFO and each senior financial officer shall promptly bring to the attention of the General Counsel and to the Audit Committee any information he or she may have concerning any violation of *II-030 Code of Ethics* and related policies, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who have a significant role in Alto Ingredients’ financial reporting, disclosures or internal controls.

The CEO, CFO and each senior financial officer shall promptly bring to the attention of the General Counsel and to the Audit Committee any information he or she may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to Alto Ingredients and the operation of its business, by Alto Ingredients or any agent thereof, or of violation of the Code of Ethics or of these additional procedures.

The Board of Directors shall determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of the Code of Ethics or of these additional procedures by the CEO, CFO and each senior financial officer. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code Ethics and to these additional procedures, and shall include written notices to the individual involved that the Board has determined that there has been a violation, censure by the Board, demotion or re-assignment of the individual involved, suspension with or without pay or benefits (as determined by the Board) and termination of the individual’s employment. In determining what action is appropriate in a particular case, the Board of Directors or such designee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.