

GAYLORD CHEMICAL COMPANY, L.L.C.

CODE OF BUSINESS ETHICS

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COMMITMENTS

Summarized below are Gaylord Chemical Company, L.L.C.'s ("Gaylord Chemical" or the "Company") commitments, which are a prime element in our Code of Business Ethics (the "Code" or the "Code of Ethics"):

- To our employees, we are committed to maintain safe and healthy working conditions, to provide work opportunities, compensation, training, promotions, and other conditions of employment without regard to race, color, age, creed, sex, religion, disability or national origin or any other category protected by law and to take affirmative action as appropriate to ensure the meeting of these objectives. Our commitment includes fair employment practices, workplace safety, corporate ethics, and complying with wage and hour laws. Having safe working conditions includes our commitment to a drug-free/alcohol-free workplace as such substance usage can impair judgment and performance. We prohibit the illegal or unauthorized possession or use of drugs and alcohol on Company time, on Gaylord Chemical premises and worksites, or while otherwise working for Gaylord Chemical. Gaylord Chemical is committed to a work environment free of conduct that constitutes harassment (for further information, please refer to our Anti-Harassment Policy);
- To our customers, we are committed to provide value through quality products and services which meet the needs and expectations of our customers, are delivered according to agreed schedules and conform to industry and government specifications and standards;
- To our suppliers, we are committed to being a good customer. We emphasize fair competition, a sense of responsibility and long-lasting relationships;
- To the communities in which we are located and to society as a whole, we are committed to responsible Company citizenship. We will conduct ourselves in a moral and ethical manner in all aspects of our business;
- To our shareholders, in pursuit of our growth and earnings objectives, we are committed to keep ethical standards at the forefront of our activity and exercise prudent judgment in the use of Company resources.

ETHICS PROGRAM IMPLEMENTATION AND REPORTING PROCEDURES

Implementation

Implementation of this Code of Ethics is the responsibility of the CEO. Each supervisor has the responsibility for employees, including agents, consultants, and other representatives of the Company under his or her direction to:

- Ensure that current and new employees participate in education and training regarding this Code;

- Stress the need for a commitment to the principles of this Code;
- Ensure that his or her department operates in accordance with the highest principles of business ethics; and
- Maintain a workplace environment that encourages open communication about the importance of operating under these principles and reinforces the lines of communication available to employees to resolve concerns related to this Code.

Reporting Procedures

Gaylord Chemical encourages employees to ask questions, voice concerns, and make appropriate suggestions regarding the business practices of the Company. Employees are responsible for familiarizing themselves with this Code and are expected to report promptly to management suspected violations of law, the Company's policies, and the Company's internal controls, so that management can take appropriate corrective action. The Company promptly investigates reports of suspected violations of law, policies, and internal control procedures. Management is ultimately responsible for the investigation of and appropriate response to reports of suspected violations of law, policies, and internal control procedures.

When possible, an employee should discuss suspected violations with the employee's immediate supervisor. Each supervisor is expected to be available to subordinates for that purpose. If an employee is dissatisfied following review with the employee's immediate supervisor, that employee is encouraged to request further reviews, in the presence of the supervisor or otherwise. Reviews should continue to the level of management appropriate to resolve the issue. Depending on the subject matter of the question, concern, or suggestion, each employee has access to alternative channels of communication, for example, the third-party hotline or the Human Resources department. Suspected violations of law or the Company's policies involving a director or executive officer, as well as any concern regarding questionable accounting or auditing matters, should be referred directly to the CEO of the Company, or to the Board of Directors if involving the CEO.

If an employee continues to be dissatisfied after following the above procedure or prefers to report anonymously, such employee may report the issue through the third-party hotline via telephone at 833-401-0002 or via web at www.lighthouse-services.com/gaylordchem (the "Ethics Hotline"). Any reports regarding the Senior Management Team, other than the CEO, will go to the CEO and to the Board of Directors. Any reports regarding the CEO or a Director of the Company are automatically escalated to outside legal counsel. Reports will remain anonymous and confidential to the extent practically and legally possible.

ETHICS HOTLINE CALL 833-401-0002

OR VISIT www.lighthouse-services.com/gaylordchem

Non-Retaliation

It is strictly against Company policy to retaliate against any employee who reports, in good faith, a possible violation of Company policy or law. Any attempt at retaliation against an employee who engages in any kind of whistleblowing in good faith will result in immediate disciplinary action. Employees should contact their supervisor or use the Ethics Hotline if they feel they are being subjected to retaliation.

COMPLIANCE WITH ANTITRUST LAWS

The U.S. antitrust laws prohibit agreements and activities that may have the effect of reducing competition without providing counter-balancing benefits to consumers. We are committed to complying with all applicable competition and antitrust laws.

Gaylord Chemical employees should never enter into any understanding, written or oral, express or implied, with competitors regarding prices, terms of sale, division of markets or customers, or any other matter which potentially restrains competition. Employees should never communicate (directly or indirectly) with competitors in a manner which could affect pricing or marketing decisions such as sales terms, business plans, margins, inventory levels, or discounts.

At Gaylord Chemical, we never agree with competitors (directly or indirectly) to:

- Set prices or terms related to our products;
- Allocate customers, products, or markets; or
- Boycott suppliers or customers.

Accordingly, Gaylord Chemical has implemented a separate Antitrust Policy, which you can find on the Human Resources Page of the QMS (Quality Management System.) For further information regarding antitrust compliance, please refer to our Antitrust Policy. If you have any questions about Gaylord Chemical's Antitrust Policy, please contact the Vice President & Controller.

CONFLICTS OF INTEREST

Each one of us as an employee of Gaylord Chemical is in a position of trust regarding the Company and its assets. We must be careful to avoid situations where our personal interests could conflict or appear to conflict with the interests of Gaylord Chemical. Where a conflict exists, it must be resolved to the satisfaction of the Company in order for the employer/employee relationship to continue.

Company policy requires disclosure of any situation which is or could become a conflict. An employee should provide a written disclosure to his or her supervisor, who, along with the employee, will report the conflict or potential conflict to the Vice President & Controller.

Circumstances which could involve conflicts of interest and should be avoided are:

- Personal or family financial interests in a competitor, supplier, or customer;
- Employment by a competitor in any capacity;
- Acceptance of lavish gifts and entertainment in exchange for a business advantage;
- Placement of business in a firm owned or controlled by an employee or family member;
- Acting as a consultant to a customer or supplier; or
- Unauthorized disclosure of confidential information relating to the Company or misuse of information or facilities belonging to the Company.

An activity is likely a conflict of interest if it has a negative impact on Gaylord Chemical's business interests, negatively affects Gaylord Chemical's reputation, or interferes with the employee's judgment in carrying out his or her job responsibilities.

Employees should immediately report any actual or potential conflicts of interest to his or her supervisor. If unsure whether something constitutes a conflict of interest, please ask the VP & Controller.

Directors, officers, employees, and board members of the Company have an ethical responsibility to Gaylord Chemical to avoid activities or relationships that may interfere, or have the appearance of interfering, with the official duties of their respective positions. Directors, officers, employees and board members are prohibited from using corporate property or information for improper personal gain or to compete with Gaylord Chemical directly or indirectly.

(See also Confidential Information Policy, Trade Secrets Policy, and Anti-Corruption Policy that you can find on the Human Resources page of Gaylord's QMS (Quality Management System.)

PRESERVATION OF ASSETS, TECHNOLOGY, INFORMATION, AND SECURITY

It is the responsibility of each one of us to preserve the Company's assets including its property, plant, equipment, and information. It is also our responsibility to safeguard and efficiently utilize any customer owned equipment which has been entrusted to us. No employee shall make improper use of Company or customer resources or permit others to do so. The use of Company materials,

equipment, and information for non-Company purposes is permitted only with the approval of supervisors having authority to permit such usage.

Gaylord Chemical prides itself as a leader in the design, manufacture, and sale of a variety of proprietary products requiring significant development and processing expertise. Failure to maintain control over our technology could result in our losing the benefits of innovation and in significant harm to the Company. To protect against the unauthorized disclosure of confidential information, Gaylord Chemical has a Proprietary Information Agreement. Each employee must sign and comply with this agreement as a prerequisite of employment. Each employee is responsible to guard our technology against unauthorized disclosure. This applies to proprietary data developed by Gaylord as well as to information entrusted to us by suppliers and customers.

We respect the privacy of our customers, employees, suppliers, shareholders, and community, and we handle personal information with care. We are committed to complying with data privacy laws on how to responsibly collect, store, use, manage, share, transfer, and delete personal information.

Plant visits by employees or agents of a competitor not only can create risks under antitrust laws, but also can be the source of technological loss and financial embarrassment. To minimize these risks, all plant visits are subject to the following rules:

- Plant visits are permitted only with the prior permission of the CEO, or his or her designee. All requests for approval should be reviewed first with local management before being scheduled.
- Plant visits by competitive employees should be kept to a minimum and should occur only to the extent that information concerning machinery, technological improvements or the like is essential to the conduct of Gaylord Chemical's business and, as a practical matter, is not available through alternative sources. The CEO must approve any visits by competitors.
- At no time during a plant visit may production costs, sales prices or other sales or marketing information be discussed. Any attempt by a competitor to discuss such subjects should be promptly reported to Company counsel; no matter the environment in which the discussion occurs.
- All plant visitors are required to first agree to maintain confidential the information they learn. Appropriate signed "Confidentiality Agreements" must be used with vendors, consultants, customers and other visitors when confidential information will or may be disclosed.
- All plant visitors will comply with the established plant safety procedures and protocols.

BUSINESS ENTERTAINMENT, GIFTS, AND PAYMENTS

Gaylord Chemical's success in the market is based on the value provided to its customers through quality products and services delivered. The Company does not gain nor seek to gain any improper business advantage through bribery, improper payments, or other illegal means. It is imperative that we exercise good judgment and caution when both giving and receiving gifts, meals, or other types of entertainment in accordance with reasonable and lawful customs in the marketplace.

Gaylord Chemical prohibits employees from accepting or agreeing to the payment of a bribe, kickback, or anything of value to obtain an improper business advantage or to influence official action. Those are illegal acts and can result in the criminal prosecution of those involved including the Company. Gaylord Chemical prohibits employees from providing gifts or entertainment to government officials to avoid even the appearance of impropriety.

For more information on our policy regarding business entertainment, gifts, and payments, please refer to our Anti-Corruption Policy that you can find on the Human Resources page of Gaylord's QMS (Quality Management System.) For further questions, please contact the Vice President & Controller.

[Relationships with Customers or Potential Customers](#)

From time to time we may provide unsolicited entertainment, meals, and other business courtesies to customers or potential customers, provided such occasions arise in the ordinary course of business, involve reasonable-not lavish-expenditures, do not obligate the recipient in any manner, and take place in a setting appropriate for the individuals involved and the business at hand.

Employees may give gifts to customers or potential customers where the presentation and acceptance of gifts is lawful and the normal business practice. All such gifts shall be of reasonable, nominal value and the presentation approved in advance by your supervisor. Such gifts must be presented in a manner that clearly identifies Gaylord Chemical and the occasion which warrants the presentation. Gaylord Chemical prohibits employees from providing gifts or entertainment to government officials to avoid even the appearance of impropriety.

In all cases where entertainment, meals, other business courtesies or gifts are provided, employees must ensure that such expenditures are in the proper course of business and cannot reasonably be construed as bribes or improper payments. Employees must fully document and record all approved expenditures for meals, refreshments, entertainment, and gifts in accordance with Company procedures.

[Receipt of Items by Gaylord Chemical Personnel](#)

Our employees may accept entertainment, meals, and refreshments of nominal value in connection with business discussions provided they are reasonable, consistent with local law, unsolicited, legitimately promotes our business, and cannot be construed as an attempt by the giving party to secure favor or otherwise create a conflict of interest.

Gaylord Chemical employees may receive gifts of nominal value and within reason, provided they report them to their supervisors who will determine whether they can be accepted. Gifts of more than nominal value or of reasonable amount should be tactfully discouraged. However, where business circumstances so require, the employee may receive such a gift provided it is reported to the employee's supervisor who will determine whether it may be retained or becomes Company property.

See "Travel Expense Reporting" in the Controller's Manual for more detailed treatment of expense matters.

COMPLETE AND ACCURATE ACCOUNTING BOOKS AND RECORDS

Gaylord Chemical policy requires full compliance with the spirit and letter of the applicable laws and regulations which mandate that its books of account and records be accurately maintained and fully disclose all transactions and the nature thereof. Employees are reminded of the following record keeping requirements:

- All books, records, and accounts must be kept in acceptable detail and must accurately and fairly reflect the transactions and dispositions of the Company's assets;
- All disbursements of funds and all receipts must be properly and promptly recorded;
- No undisclosed or unrecorded fund may be established for any purpose;
- A system of internal accounting controls must be maintained which is sufficient to provide reasonable assurance that transactions are:
 - a) executed in accordance with management's authorization;
 - b) recorded in a manner that permits preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and other applicable criteria; and
 - c) recorded so as to maintain accountability for the Company's assets.

We should all be aware that penalties for violating the law in this area can be severe for the Company and for the employees involved. Additional information dealing with this subject is contained in published Company and financial policies.

ENVIRONMENTAL COMPLIANCE

Gaylord Chemical is committed to comply with all Federal and State Laws relating to the protection of the environment, and to promote conservation and recycling of scarce resources. Each employee has the responsibility to operate the Company's facilities in accordance with permit requirements and to immediately report situation that may deviate from established limits. While use of hazardous materials is sometimes unavoidable, we have an obligation to use and store those materials properly to ensure that contact with the environment is limited to established and accepted circumstances. All wastes which are generated must be stored as required by applicable law and must be recycled or disposed of at state or federally approved facilities which have also been approved by the Company. Employees must report, in accordance with applicable Company policies, all circumstances under which hazardous materials or waste come in contact with the environment, are improperly handled or disposed of, or where a potential violation of law or regulation may exist.

TRADE COMPLIANCE

Gaylord Chemical is committed to complying with customs, trade, and import/export laws. This includes implementing measures to ensure compliance with applicable trade or import/export sanctions or restrictions, such as providing accurate classification, valuation, country of origin, destination, end-use, and end-user information, managing third party suppliers, and complying with economic sanctions/restrictions and U.S. anti-boycott requirements.

For further information on trade compliance details and requirements, please refer to our Trade Policy, which you can find on the Human Resources Page of Gaylord's QMS (Quality Management System.) For further questions, please contact the Vice President & Controller.

AUTHORITY TO WORK

Gaylord Chemical is committed to complying with all immigration laws and will not hire anyone not legally authorized to work in the country in which employment is sought. Gaylord Chemical will inspect, verify, and document the identity and employment authorization of each new prospective employee. We are also responsible for re-verifying the continuing employment eligibility of each employee when the initial work authorization has expired. When complying with immigration laws, we prohibit employment discrimination on the basis of national origin, citizenship, or residential status. We require parties conducting business with us to fully comply with immigration laws.