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Code of Business Conduct



Great Lakes
CHEMICAL CORPORATION

for the world we all want™



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Our Commitment to Doing Business the Right Way

Over the last several years, other companies have shown how many people can be hurt when the rules are bent and broken in the desire to win. At Great Lakes, we are committed to winning the right way.

The guidelines in this *Code of Business Conduct* set forth the expectations we have of ourselves to do business the right way: to obey all laws, avoid conflicts of interest, respect each other, and protect the Company's assets. We expect the same in return from every person and company with whom we work around the world. We will continue to maintain the highest standards in all of our dealings, whether with customers, suppliers, competitors, fellow employees, or the government agencies that regulate our businesses. Our commitment to the highest ethics will be at the core of every negotiation, every customer or supplier transaction, and every interaction between one employee and another.

We lead the Company's commitment to ethical conduct through documents like this, but for me, it's a personal issue. I set ambitious goals for Great Lakes in the face of tough global competition. And I expect us to reach those goals. But I want to be absolutely clear: The dark side of our desire to reach our goals—to win—is in the temptation to compromise the rules and our standards. We cannot let that happen: No short-term victory is worth that compromise.

There are few of us who would intentionally act illegally or unethically. But life and business are full of tough calls and gray areas. No code of conduct can address every situation. When the appropriate course is not clear, I ask you to do two things. First, use your good judgment and common sense. Second, don't be a hero. Get a second opinion. Any member of the Law Department or the Human Resources Department is available to help.

I know I can count on each of you to make Great Lakes a company of which we can always be proud.

Mark P. Bulriss
Chairman, President, and Chief Executive Officer



We Will Pursue Business the Right Way

This *Code of Business Conduct* (“Code”) has been adopted by the Board of Directors of Great Lakes Chemical Corporation, and is applicable to all directors, officers, and employees. Any waiver of this *Code* for executive officers or directors of the Company may be made only by the Board of Directors, and any such waiver will be promptly disclosed to shareholders. This *Code* is effective January 1, 2003, and supersedes the *Code of Business Conduct* dated March 9, 2000.

We Will Market Fairly and Honestly

- ▶ We will market our technologies, products, and services fairly and vigorously based on quality, reliability, price, and performance.
- ▶ Our advertising will be truthful. If we make specific claims about our products, we will have evidence to back up the claims.
- ▶ We prohibit bribes, kickbacks, or any other direct or indirect giving or offer to give anything of value to any representative of a customer, supplier, government, or labor union in order to obtain a contract or other business, some other commercial benefit, or other government action. (We will conduct business outside the United States in accordance with the Foreign Corrupt Practices Act [“FCPA”], which prohibits us from paying foreign officials in an effort to influence their decisions affecting business. Compliance with the FCPA is complex, and further detail is set forth in the Company’s *FCPA Policy* [dated January 28, 1992].)
- ▶ Reasonable business entertainment and nominal gifts are permitted, including traditional promotional events, as long as what is offered: (a) is consistent with usual business practice, (b) cannot be construed as a bribe, kickback, or thing of value that in itself would influence the award of business, (c) is not in violation of any law or local business custom, and (d) will not embarrass the Company or individuals if disclosed publicly.

- ▶ We will not make any payments or promises to any consultants, agents, distributors, or other third parties with the belief or suspicion that they will make improper payments or promises on the Company's behalf.
- ▶ We will seek all marketing data properly and legally.

We Will Compete Fairly and Vigorously

- ▶ We will comply with the Great Lakes Antitrust Policy set forth at the end of this *Code*. That policy covers compliance with competition laws (e.g., laws on antitrust, monopoly, unfair trade practices, etc.) of the United States, Canada, the European Union, and all the other nations where we do business. (Any questions about the applicability of, or compliance with, competition laws should be directed to a member of the Law Department. Guidelines providing further detail on worldwide competition laws for sales, purchasing, trade associations, and many other aspects of our business can be found posted under Corporate Policies on the Great Lakes internal web site, *CONNECTIONS*.)
- ▶ We will not label our products so that they might cause confusion with products of our competitors. We will be alert to, and not tolerate, any situation where a competitor may be attempting to mislead potential customers as to the origin of products, or causing confusion with ours.
- ▶ We will not disparage the products, services, or employees of our competitors. If we compare our products to those of our competitors, the comparisons will be fair and factually supported. (Comparative advertising is subject to certain regulations and should be discussed with a member of the Law Department.)
- ▶ The advertising and promotional allowances we offer will comply with the applicable regulations. (These are detailed and technical and should be discussed with a member of the Law Department.)
- ▶ We will obtain the tangible and intellectual property of competitors only through lawful means. While we will always be alert to competitive surroundings and obtain as much information as possible about the marketplaces in which we operate, we will do so only in accordance with the law and ethical commercial practices.

We Will Obey All Laws

- ▶ Our products will meet all applicable government standards and regulations.
- ▶ We will label our products in compliance with applicable laws and regulations.

We Will Protect Our Customers' Legitimate Interests

- ▶ When we manufacture products to our customers' specifications, we will not change the design, materials, or processes, unless clearly authorized in writing by the customer, permitted under the terms of the contract, or permissible by law, regulation, or accepted commercial practice.
- ▶ We will protect the tangible and intellectual property (including software) of our business partners, if we are entrusted with it.





We Will Deal With Our Suppliers the Right Way

Our Relationships With Our Suppliers Will Be Based on Performance

- ▶ Our relationships with our suppliers will be based on price, quality, and service.
- ▶ We will not be influenced by gifts or favors of any kind from our suppliers.
 - We discourage the receipt of gifts by employees because of the possibility they may be misconstrued as an attempt to influence business decisions. This does not apply to unsolicited promotional materials of a general advertising nature.
 - Presentations of a ceremonial nature in keeping with national customs are permitted as long as what is accepted is not in violation of any law, cannot be construed as a bribe or payoff, and will not embarrass the Company or the individual if disclosed publicly.
 - Seasonal or other gifts of nominal value are permitted, provided they are given as a gesture of professional friendship, and are given without being tied to the transaction of business. If practicable, such gifts should be made available to the Company, shared within the employee's department or working group, or donated to charity.
 - Reasonable meals or entertainment in the normal course of business relations, paid for by a supplier or potential supplier, are permitted if a supplier representative is in attendance, and the meals or entertainment are not excessive or unusual, and would not embarrass the Company or individual if disclosed publicly.

We Will Protect Our Suppliers' Legitimate Interests

- ▶ We will protect the tangible and intellectual property (including proprietary data and software) of our suppliers, if we are entrusted with it.



We Will Treat the Company and Each Other the Right Way

We Will Avoid Conflicts of Interest

- ▶ We have a duty of loyalty to the Company. Conflicts of interest undercut the duty of loyalty. Our personal or financial interests must not conflict with or appear to conflict with the interests of the Company.
- ▶ Conflicts of interest may arise when we inappropriately take items of personal value, such as gifts, meals, or entertainment, beyond those permitted under this *Code of Business Conduct*. Conflicts may also arise when we or our relatives have financial interests in the Company's competitors or in firms with which the Company does business. It is also a conflict when we use a business opportunity of the Company for our personal advantage, use the Company's resources to conduct our personal business, or operate our own personal businesses for profit during normal working hours.
- ▶ We will comply with all laws prohibiting personal loans, or loan guarantees, by the Company to or for the benefit of directors or executive officers.
- ▶ Disclosure of potential conflicts helps eliminate the appearance of impropriety. Disclosing concerns about conflicts is not an indication of wrongdoing, and is always encouraged.

We Will Protect the Company's Assets

- ▶ We will use only the Company's resources—proprietary information, technology data, software, land, buildings, equipment, components, raw materials, and cash—for legitimate Company purposes, and not for personal gain. We will use the Company's assets according to all Company policies and procedures, and will comply with all security programs that help prevent their theft or unauthorized use.

- ▶ We will use only the credit cards made available to us or guaranteed by the Company for business-related expenses. We will immediately reimburse the Company for any inadvertent personal charges on such credit cards. Our travel expense reports will be accurate and filed on a timely basis.
- ▶ We will protect all passwords and identification codes to prevent unauthorized access to the Company’s computer systems and data.
- ▶ We will not reproduce licensed or internally developed software for our personal use unless permitted by the terms of the license.
- ▶ We will safeguard the Company’s trade secrets and confidential information, either while we are employees or if we leave the Company for any reason. We will not permit any improper access to trade secrets and confidential information by any person, particularly competitors. Confidential information includes such things as financial data not available to the public, sales or cost figures for individual products or groups of products, planned new products or planned advertising programs, areas where the Company intends to expand, ways in which the Company manufactures products, and the like.
- ▶ We will avoid discussion of the Company’s trade secrets and confidential information in public areas, such as the Company’s hallways and break rooms, and restaurants.

We Will Obey the Securities Laws

- ▶ If we have non-public information about the Company that could affect the price of its securities, such as business strategies, earnings figures or other financial results, pending transactions or contracts, new products, or research results, we will not trade in any of the Company’s securities. If we have similar information about any of the Company’s suppliers or customers, or any company that does business with the Company, we will not trade in the securities of those companies.

We Will Report With Integrity

- ▶ Our chief executive officer, chief financial officer, controller, and other senior financial officers will promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts

of interest between personal and professional relationships. They will also promote full, fair, accurate, timely, and understandable disclosure in the quarterly and annual reports we are required to file with the United States Securities and Exchange Commission (“SEC”), and will seek to comply with all other applicable governmental rules and regulations. To accomplish this, all of us will abide by the following:

- Our financial, accounting, and other reports and records will accurately and fairly reflect the transactions of the Company in reasonable detail, and in accordance with approved accounting practices and procedures and applicable government regulations.
- We will keep accurate accounting records and reports of all financial transactions.
- We will support all transactions with accurate documentation, recorded in the proper account and the proper accounting time period.
- The Company’s transactions will be executed only in a manner consistent with the Company’s policies and specific management authorizations and directives.
- We will not do anything that is meant to deceive our Board of Directors, senior management, internal auditors, or outside independent auditors. We will not create or participate in the creation of any documents, books, or records (or make any statements) that are inaccurate or intended to mislead anyone (including the Company’s staff of internal auditors or independent auditors) as to the true nature of any particular transaction or payment.
- We will accurately and truthfully report required information concerning the Company’s import/export activity to customs officials or to any agent the Company may have hired to facilitate such activities.
- We will not intermingle our personal and professional financial interests so as to create an actual or apparent conflict of interest. We recognize that any change or waiver of this rule as it applies to the senior financial officers of the Company creates a federal securities disclosure requirement, and we will immediately report any such change or waiver to the general counsel or to the Audit Committee of the Board of Directors.

- We understand that the chief executive officer and the chief financial officer are required by United States federal law to certify on a quarterly and annual basis, among other things, as to the material accuracy of financial reports, the effectiveness of disclosure control procedures, and the Company's full compliance with all securities disclosure requirements. We understand that false or inaccurate certifications could result in civil or criminal penalties. Accordingly, we recognize that others are relying on our accurate reporting, and we will make sure that all financial accounting and reporting or other record-keeping for which we are responsible is as accurate as possible.

We Will Be Fair Employers

- ▶ We will not discriminate in employment on the basis of race, color, gender, sexual orientation, age, religion, or national origin. We will engage in fair employment practices, including equal treatment in hiring, promotion, training, compensation, termination, and disciplinary action. Each of us will act to assure that this policy is effectively implemented, monitored, and enforced.
- ▶ We will not tolerate sexual harassment among ourselves or against employees of our customers, suppliers, or others with whom we do business. Sexual harassment is verbal or physical conduct that creates a hostile or offensive working environment. This includes requests or demands for sexual favors, sexual advances, sexually explicit jokes or pictures, or unwelcome touching. (Refer to the Company's *Guidelines and Procedures for Complaints of Sexual Harassment* dated January 2001 [and updated annually], which describes in detail the Company's policies for handling complaints of sexual harassment.)
- ▶ We will not knowingly hire or recruit or refer for a fee any non-U.S. citizen not authorized to work in the United States.
- ▶ We will comply with health and safety regulations of the Occupational Safety and Health Administration at all Company sites in the United States, and all comparable laws and regulations applicable to Company sites outside of the United States.
- ▶ We will not tolerate the use, sale, or possession, or being under the influence of, illegal drugs or alcohol on the job. We also prohibit the

abuse or improper use of prescription drugs on the job or on Company property. (The Company's policy on substance abuse is discussed in detail in the *Drug and Alcohol Awareness and Testing Policy* as updated from time to time.)

- ▶ We respect each other's right to privacy. This means that we are each entitled to our private lives and activities, free from the constraints of the workplace.
 - The Company will maintain only those historical and current employee personnel and medical records needed for business, legal, or contractual purposes, restricting access and knowledge of the contents to those with a legitimate need to know, and in compliance with applicable laws.
 - Each employee will have the right to see his or her own personnel record.
 - The Company will not interfere in our personal lives off the job, but may take appropriate steps if our conduct off the job impairs our work performance or adversely affects the Company.





We Will Be Good Citizens

We Will Be Environmentally Responsible

- ▶ We will comply with all laws and regulations applicable to our operations, products, and business activities, including requirements concerning:
 - discharge into the environment from our manufacturing sites;
 - generation, storage, transportation, and disposal of wastes;
 - reporting of releases and redemption of contamination;
 - use, storage, labeling, and transportation of products and other materials; and
 - registration, notification, and testing of products and chemicals.

(See Great Lakes' Environmental and Occupational Safety and Health Policy.)

- ▶ We will abide by our commitments under the American Chemistry Council's Responsible Care® program for our U.S. manufacturing operations, and adopt similar management standards for our non-U.S. operations. Responsible Care® applies to such activities as community awareness and emergency response, process safety, chemical distribution, pollution prevention, employee health and safety, and product stewardship.
- ▶ We will comply globally with chemical control laws and regulations that forbid, limit, restrict, or otherwise regulate the sale, distribution, or use of certain types of chemical substances. In the United States, these laws include the Toxic Substances Control Act; the Federal Insecticide, Fungicide, and Rodenticide Act; and the Federal Food, Drug, and Cosmetic Act. Comparable laws and regulations exist in most other nations.

We Will Not Make Prohibited Political Contributions

- ▶ We do not permit Company funds, directly or indirectly, to be used for any political contributions in support of any party or candidate in any United States federal election. We allow only such funds to be

used only for other political contributions with the approval of the chief executive officer, the chief financial officer, or the general counsel of the Company. These prohibitions and restrictions also apply to “in-kind” contributions of the Company’s facilities or equipment or the time of its employees or payments for social events such as golf tournaments. Business entertainment may not be conducted at political events.

- ▶ Wherever lawful, the Company may operate and, through its employees, fund one or more political action committees.
- ▶ When we make permitted contributions, we do so only to persons or entities that may legally receive the contributions, and we accurately record the contributions in the Company’s books.
- ▶ We do not limit the ability of our employees to participate in the political process, or to make individual personal contributions to candidates and causes of their choice.

We Will Obey Local Laws

- ▶ We will not expand Company operations into any new foreign country or sell products in or to new countries without understanding the legal and tax implications of operating or selling in or to those countries.
- ▶ We will observe all applicable local laws to which the Company may be subject, including foreign tax and currency exchange control law.
- ▶ We require that our agents and distributors in the United States and other countries act on the Company’s behalf only in a manner that is consistent with the Company’s policies and all applicable laws or regulations.

We Will Obey Export Control Laws

- ▶ We will comply with all laws and regulations concerning the export of goods, technology, software, and services out of the United States; as well as their “re-export” wholly outside of the United States. For example, in order to limit the proliferation of chemical and biological weapons, the United States prohibits all exports and re-exports of

certain chemical substances (including certain products made by Great Lakes). We will prepare and file proper documentation for all exports from the United States, including destination control statements, Shipper’s Export Declarations, and, if necessary, an export license.

We Will Obey Anti-Boycott Laws

- ▶ We will comply with laws that prohibit a wide array of activities associated with foreign economic boycotts and with reporting requirements under those laws. (The Company has issued Great Lakes’ *Corporate Anti-Boycott Policies and Procedures*, dated November 22, 1989, which discuss the anti-boycott laws in detail.)

We Will Obey Applicable Embargo Regulations

- ▶ As a U.S. corporation, U.S. citizens, and permanent residents of the United States, we will comply with the restrictions imposed by the United States on dealings in or with certain countries. The restrictions may either (a) prohibit providing goods, services, and technologies to an entire “restricted” country, or (b) prohibit dealings in some countries to the extent those dealings support or are suspected of supporting certain activities (e.g., terrorist activities, rebel activities, and nuclear and missile proliferation).
- ▶ If we are not U.S. citizens or permanent residents, and we work for a non-U.S. subsidiary of the Company, U.S. embargo laws may not apply. But U.S. companies, their management, and staffs cannot “approve” or “facilitate” the transactions of a non-U.S. subsidiary with an embargoed destination, even if the foreign subsidiary uses non-U.S. origin materials or technologies and even if no U.S. citizen or permanent resident is employed by the foreign subsidiary. (Check with the Law Department for further details.)



Enforcement

Procedures

Each of us is responsible for enforcement of this *Code of Business Conduct* and the policies referred to in it. We have a duty to report potential violations of the *Code*, and the right to be free from reprisal when we do so in good faith.

- ▶ The Company encourages every employee to report a potential violation in the first instance to his or her manager, or to a member of the Internal Audit Department, the Human Resources Department, the Law Department, any corporate officer, or the Audit Committee of the Board of Directors. (Under regulations to be issued by the SEC, every employee will have the right, as an alternative to this procedure, to submit confidential and anonymous concerns regarding questionable accounting or auditing matters. The Audit Committee will establish and publish procedures on the Company's internal web site *CONNECTIONS* for such submissions.)
- ▶ A manager is responsible either (a) for resolving the potential violation immediately, or (b) if the problem is one of fraudulent or dishonest conduct or if the manager believes he or she needs assistance, for contacting the Internal Audit Department or a member of the Law Department. Managers must keep a written record of all *Code of Business Conduct* complaints.
- ▶ Potential violations will be investigated by the proper business unit or corporate department and, upon the advice and approval of the Law Department, will be reported to the appropriate authorities.
- ▶ All employees have a duty to cooperate with the investigation process.
- ▶ The confidentiality of an employee reporting a potential violation will be protected to the maximum extent possible.
- ▶ Failure to comply with any responsibilities (including the obligation to report a violation) under this *Code of Business Conduct* may result in disciplinary action, as appropriate, and may also require restitution or reimbursement or referral of the matter to government authorities. Violation of this *Code* is not the only basis, however, for disciplinary actions.

Further Review and Reprisal

If an employee reports a potential violation, and does not believe that the matter has been handled adequately, he or she should report it in writing either to the general counsel or the director of Internal Audit (based in Indianapolis, Indiana USA). If appropriate, such matters may be reported anonymously, but anonymous reporting may impact the effectiveness of any later investigation or remediation.

This *Code of Business Conduct* will be useless unless employees are free to report potential violations without fear of reprisal. The Company will not tolerate any harassment of, or retaliation against, any person who in good faith reports a potential violation of this *Code of Business Conduct* or other policy of the Company. Any employee who engages in any such reprisals, harassment, or retaliation, or any supervisor who knowingly permits such conduct, shall be subject to disciplinary action up to and including termination of employment. Reprisals of any kind should be reported to the senior vice president of Human Resources, director of Internal Audit, or the general counsel in Indianapolis. Any person who reports a potential violation or a reprisal to the senior vice president of Human Resources, the director of Internal Audit, or the general counsel and believes the response was inadequate should notify the chief executive officer.

Certification

Each corporate officer, salaried employee (above levels to be determined by the vice president of Human Resources for each business unit), plant manager, sales and marketing employee, purchasing employee, and others who may be designated because of the nature of their work will be required to certify annually that they have read and understand this *Code of Business Conduct*. These employees must also attest that they have complied with this *Code*, brought it to the attention of everyone under their supervision whose act or failure to act could contribute to a violation of policy, and know of no violations, except for possible violations disclosed in their annual certification.

Antitrust Policy

(adopted November 1, 1998, as revised effective January 1, 2003)

We compete vigorously and ethically in all aspects of our business, but always in compliance with the antitrust laws of the United States and all applicable state and foreign antitrust laws. Members of the Law Department are always available to consult as to whether any specific practice violates the Antitrust Policy. Guidelines providing further detail on worldwide competition laws affecting sales, purchasing, trade associations, and many other aspects of our business can be found posted under Corporate Policies on the Great Lakes internal web site, *CONNECTIONS*.

- ▶ This Antitrust Policy is binding on all employees of the Company and its subsidiaries, divisions, and joint ventures both within and outside the United States. No employee has authority to act contrary to this policy, or to authorize, direct, or condone deviations from it by any other employee.
- ▶ No employee in any country shall enter into any formal or informal agreement, understanding, plan, or conspiracy with any party that unlawfully restricts or limits competition with respect to prices, terms or conditions of sale, production, sales levels, distribution, territories, or customers.
- ▶ No employee shall disclose to, accept from, or discuss with a competitor information concerning prices, price changes, price lists, terms or conditions of sale, production capacities or costs, or any other sensitive competitive information.
- ▶ All employees are individually responsible for implementation of the principles contained in this Antitrust Policy and for assuring continuing compliance with it. To that end, any employee who has knowledge of conduct which he or she believes may violate the antitrust laws or this Antitrust Policy has an obligation, promptly after learning of such conduct, to bring the matter to the attention of the Law Department.

Corporate Policies

The following corporate policies are posted under *Corporate Policies* on the Company's internal web site *CONNECTIONS* (<http://connections.g-l.com>):

- ▶ Antitrust Compliance Guidelines, dated January 1, 2003
- ▶ Foreign Corrupt Practices Act Policy, dated January 28, 1992
- ▶ Guidelines and Procedures for Complaints of Sexual Harassment, updated annually
- ▶ Drug and Alcohol Awareness and Testing Policy, updated from time to time
- ▶ Corporate Anti-Boycott Policies and Procedures, dated November 22, 1989
- ▶ Insider Trading Policy
- ▶ Environmental and Occupational Safety and Health Policy
- ▶ Information Technology Policy
- ▶ Accounting Policy

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