

**EASTMAN**

**Code of  
Business  
Conduct**

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### Eastman Business Conduct Helpline and Website

#### *To Report Suspected Violations of the Code*

For callers from North America:

1-800-455-5622 (toll free)

The Business Conduct Helpline is a confidential, 24-hour-a-day “hot line” located outside the state of Tennessee. To help assure anonymity, the Helpline is staffed by non-Eastman communications specialists employed by a nationally recognized service provider. Refer to the [Seeking Advice or Reporting Concerns and Violations](#) section of the Code for additional information regarding Eastman’s Business Conduct Helpline, including how to call the Helpline from outside North America.

The Helpline may also be accessed online through <http://www.eastman.ethicspoint.com>.

## A Message from Jim Rogers



At Eastman, we believe that it takes more than strong business results to build a great company; it also requires an unwavering commitment to our core values. The men and women of Eastman have created a culture where integrity is of the upmost importance and unethical behavior will not be tolerated. I am committed to conducting business with the highest standards of ethics and integrity, as well as in accordance with the laws and regulations and Company policy. These principles are outlined in Eastman's Code of Business Conduct.

Eastman's Code of Business Conduct is not a comprehensive document that addresses all laws and policies or every ethical issue that employees may confront. Rather, it is a guide and resource that is intended to alert employees to significant legal and ethical issues that frequently arise. I encourage all employees to use the resources available through the Code to answer questions you may have regarding appropriate business conduct. If your questions are not answered here, meet with your management, Human Resources, any member of the Law Department or a member of the Office of Global Business Conduct to help find the answers.

A handwritten signature in black ink, which appears to read "Jim Rogers". The signature is fluid and cursive.

James P. Rogers  
Chief Executive Officer

## Introduction



*All actions we take as a Company to instill and maintain our ethical standard or comply with the law comprise our Ethics & Compliance program. Eastman Chemical Company and its subsidiaries (“Eastman” or the “Company”) are committed to conducting all business activities in accordance with the highest legal and ethical standards. Throughout our history, this commitment has built a strong reputation for Eastman as an ethical company. Business ethics is a critical component for the Company’s success because it builds trust and confidence for our employees, customers, suppliers, stakeholders and the communities in which we work. The following information, which we refer to as Eastman’s Code of Business Conduct (the “Code”), describes laws, principles and guidelines we follow in support of this commitment to honesty, integrity and responsible corporate behavior.*

All Eastman employees have a responsibility to be familiar with and to follow these principles and guidelines and to conduct themselves in a lawful manner. From time to time, an employee may be tempted to violate the law or this Code in an effort to benefit the Company. Such actions would be directly contrary to Company policy. Regardless of the perceived benefit, an employee should NEVER commit or condone violations of the law or this Code.

On an annual basis, each employee will review the Code and receive training.

### **Who must follow the Code?**

The Code of Business Conduct applies to all employees of Eastman Chemical Company and its majority-owned subsidiaries. Use of the terms “Eastman Chemical Company”, “the Company” and “Eastman” throughout this document refers collectively to all of these entities.

### **The Code and the Law**

Company operations and Company employees are subject to the laws of many countries and other jurisdictions around the world. Employees are expected to comply with the Code and all applicable government laws, rules and regulations. If a provision of the Code conflicts with applicable law, the law controls.

Because Eastman is incorporated in the United States, our employees around the world often are subject to U.S. laws. Other countries also may apply their laws outside their borders to Company operations and personnel. If you are uncertain what laws apply to you, or if you believe there may be a conflict between different applicable laws, consult the Law Department before proceeding.

## Seeking Advice or Reporting Concerns and Violations

When faced with unethical business conduct, or legal questions and uncertainties, employees have a right and an obligation to seek the advice and guidance necessary to resolve the concern or question. Never hesitate to ask for help if you are in a situation and don't know what to do.

Promptly bring to the Company's attention any situations that may be violations of the Code or the law. Such timely reporting may be critical in preventing harm.

Eastman encourages the responsible reporting of potential violations of the Code. To obtain guidance or to report a potential violation, contact any one or more of the following:

- Any member of supervision
- Office of Global Business Conduct
- Corporate Audit Services
- Law Department
- Human Resources Manager or Human Resources Representative

Any supervisor, representative, or member of management who is notified of a potential violation is responsible for promptly communicating the reported violation to his or her supervision, or directly to the Law Department or the Office of Global Business Conduct.

While it is helpful for the Company to know the identity of the caller, reports can be made confidentially through Eastman's Business Conduct Helpline or the website at <http://www.eastman.ethicspoint.com>. Please refer to Eastman's Business Conduct Helpline to find the appropriate telephone number. The Helpline is confidential, available 24-hours-a-day, and is staffed by non-Eastman communications specialists. It is Company policy to ensure that all investigations are conducted in compliance with applicable laws.



### Question

What should I do if my supervisor asks me to do something that I believe is against Company policy, illegal or unethical?

### Answer

If you feel the request is contrary to Company policy, illegal or unethical, Company policy requires you voice your concerns. If you choose, you can discuss the issue with your supervisor. If this is not appropriate or doesn't solve the problem, you may always contact the Office of Global Business Conduct, any member of management, the Law Department, your Human Resources/Personnel Representative, or any of the other contacts listed in the [Seeking Advice or Reporting Concerns and Violations](#) section of the Code.

## No Retaliation

Eastman values the help of employees who identify potential problems that the Company needs to address. No disciplinary action or retaliation will be taken against an employee who brings a concern to the Company's attention, even if the concern later proves to be unfounded. Any employee who feels he/she has been retaliated against or threatened with retaliation should promptly report the matter.

## Investigations

Eastman takes all reports of possible misconduct seriously. We will investigate the matter confidentially, make a determination whether the Code or the law has been violated, and take appropriate corrective actions. If you are asked to participate in a Corporate investigation, cooperate fully and answer all questions completely and honestly. Failure to do so could result in disciplinary action, up to and including termination.

## Disciplinary Action

Eastman believes that employees are accountable for their actions. Appropriate disciplinary action will be taken for violations of the Code or other Eastman policies in conformance with applicable laws related to discipline.



### Question

If I report a concern, will I get in trouble if my concern turns out to be unfounded?

### Answer

No disciplinary action or retaliation will be taken against an employee who brings a concern to the Company's attention, even if the concern later proves to be unfounded. However, an employee will be subject to disciplinary action for reporting something that he or she knows at the time to be untrue, false or misleading.

## Personal Conduct



*The action of Eastman employees reflect on the Company. The Company expects employees to act with honesty, integrity and in compliance with the law, both internally as well as in its business dealings.*

## Child Labor

Eastman complies with all child labor laws. Eastman supports the reduction of unlawful child labor and child exploitation. Eastman expects the suppliers and contractors with whom we do business to embrace similar values and standards.

## Forced Labor

Eastman does not utilize forced or compulsory labor. Eastman recruits its employees and provides working conditions, including payment of wages and benefits, that comply with applicable laws and regulations.



## Fraud

It is the policy of Eastman to prohibit fraud within the Company and in all external dealings with vendors, customers, agencies and other third parties. Fraud generally involves taking something you are not entitled to, or lying to receive something of benefit for yourself.

The term fraudulent act specifically includes, but is not limited to, such things as:

1. Theft of any Company property;
2. Forgery;
3. Any misappropriation of funds, securities, supplies or any other Company asset;
4. Any irregularities of money transactions.
5. Falsification of expense statements;

6. Improper financial reporting or recording of fictitious or misleading transactions in the financial records of the entity.
7. Bribery;
8. Tax evasion;
9. Revenue or assets obtained by fraud (i.e., defrauding customers).

Included in the above definition is any irregularity or suspicion of any irregularity involving vendors, customers, Company personnel, agencies, unknown parties, or Company property.

### **Harassment, Discrimination and Workplace Violence**

At Eastman, each individual shall be treated with fairness and respect. Harassment or discrimination in any form is prohibited, including but not limited to harassment or discrimination targeted at an individual because of his or her race, color, religion, sex, sexual orientation, age, disability or national origin. The use or circulation of offensive materials, slurs, inappropriate remarks, and “humor” at another’s expense undermines respect and is not appropriate for our workplace.

Workplace violence is another form of harassment. Eastman will not tolerate violence in the workplace in any form. Examples of workplace violence include physical assault, threat of physical harm or assault, stalking, intimidation, and theft or vandalism of Company or personal property.

If you observe or experience workplace behavior that you feel constitutes harassment or workplace violence, report it immediately.

### **Alcohol and Drug Abuse**

All Eastman employees must be free of impairment due to alcohol or drugs upon reporting to work and during all work time. To that end, employees are prohibited from possessing or using illegal drugs on Company property or while on Company business.

Alcohol—Unauthorized possession or use of alcohol on Company property is prohibited. Use of alcohol off premises while on Company business is prohibited if such use results in either:



#### **Question**

My supervisor frequently makes very personal comments about my appearance and tries to get me to go out with him/her. Can I make a report about my supervisor’s behavior?

#### **Answer**

You should clearly advise your supervisor that you want the personal comments and invitations to stop. If they continue or if you are not comfortable talking with your supervisor about this matter, contact your supervisor’s manager, the Office of Global Business Conduct, the Equal Employment Program Staff or any of the other resources listed in the Seeking Advice or Reporting Concerns and Violations section of the Code.

- impairment of the employee’s business judgment or job performance; or
- placing at risk the safety of the employee or others.

Drugs—The illegal possession, use, sale, manufacture or distribution of illegal drugs, including the abuse or misuse of legal drugs.



### **Employee Personal Relationships**

Personal relationships (i.e., specifically emotional or sexual) between employees on their personal time and off Company property, fall outside Company policy. However, the Company will become involved and will take appropriate action, if the following occurs:

- relationship becomes a disruption in the workplace; or
- a supervisor engages in a relationship with anyone within his/her line of supervision.

### **External Communications**

All information disclosed outside of the Company must be accurate, complete, and disseminated in accordance with Eastman policies. Only authorized personnel may speak as an Eastman representative or about Eastman’s business with the press or at external events, conferences, industry tradeshows, or forums. Similarly, only people authorized by the Chief Financial Officer or Investor Relations may speak on behalf of Eastman to members of the financial community, such as securities analysts, stockholders, or fund managers. Additionally, all marketing communications must follow the review and approval processes established by Marketing Communications – including marketing communications through the Company’s web site, social networking outlets, and e-marketing campaigns such as search engine optimization, videos, banner ads, and webinars. Following such policies and processes helps ensure that Company communications are appropriately grounded in established standards of scientific inquiry and do not mislead stakeholders or inadvertently disparage competing products.

## Conflict of Interest



*A conflict of interest arises when an employee's personal interests or activities influence, or appear to influence, the ability to act in the best interests of Eastman. Outside interests, activities or employment that may be considered a conflict of interest, should be brought to the attention of your supervisor or one of the other resources listed in the [Seeking Advice or Reporting Concerns and Violations](#) section.*

### Personal Interests when Dealing with Customers or Suppliers

No Eastman employee may benefit, or seek to benefit, from the relationships that we have with our customers and suppliers. All employees must be free from the influence of personal considerations when representing the Company in transactions with outside parties, when making recommendations related to such transactions or when making decisions about such transactions.

### Non-Eastman Employment

Eastman does not wish to interfere with an employee's activities outside the hours worked for the Company. Employees may engage in other business activities, provided:

- Eastman's relationship with its vendors or customers is not adversely affected.
- No provision of any Employee Agreement is violated.
- Performance and attendance are not adversely affected.
- Work time is not used to conduct outside business activity.
- Eastman personnel, property, materials, supplies or equipment is not used for personal gain.



No employee may work for suppliers or consultants related to Eastman's field of interest, customers, or competitors without prior written approval of the Company. To apply for such approval, a request should be submitted to the Office of Global Business Conduct at Eastman Chemical Company.

### Financial Interests in Other Organizations

Employees and members of their household should not have a significant investment or other financial interest in the business of a customer, a supplier, a competitor, or an actual or potential participant in a transaction or other business venture involving Eastman. Relatively small investments in the securities of publicly owned corporations would not normally be considered a violation.

An employee is not authorized to execute or approve any transaction in which the employee has a direct or indirect conflict of interest. Any conflicts of interest of this type should be forwarded to the Office of Global Business Conduct for review.

Prior written approval by the Office of Global Business Conduct is acceptable for an employee who owns or works for a company or business providing incidental services or small volume supplies to Eastman such as catering, floral arrangements, or driving services, etc.

### Giving/Receiving Cash, Gifts, Services, Favors, Other Benefits or Business Courtesies

Eastman sells and purchases products and services on the merits of competitive pricing, quality of work and materials and timely performance. Eastman does not want to conduct business on any other basis.

Employees or members of their family must not offer, solicit or accept any items of value to/from any person or organization that does or seeks to do business with, or is a competitor of, the Company if such items may be construed as an attempt to influence or induce business. Such practices are not only against Company policy, but may be in violation of the U.S. or local anticorruption laws (e.g., United States Foreign Corrupt Practices Act) if they involve government or political party officials (see [Global Business Activities](#)). Good judgment and reasonableness must be exercised to avoid any potential misunderstanding or adverse effect on the reputation of the Company or its employees. No employee shall ask any of Eastman's customers or suppliers to provide any type of gratuities. If a gift is offered to an employee that is not normally associated with customary business practices, a Company officer or designated delegate must approve its acceptance.



#### Question

During the holidays, a number of outside organizations such as employment agencies, consultants, law firms and other professional organizations send us fruit baskets, cookies, and candies, etc. Can we accept these gifts?

#### Answer

Yes, such gifts of nominal value may be accepted and should be shared with members of your work group. Under no circumstances should gifts be solicited nor considered a requirement of doing business with Eastman.

If the purpose is to hold bona fide business discussions or to foster better business relations, the giving or receiving of meals, refreshments, travel arrangements, lodging or accommodations, entertainment, tickets, small gifts, promotional items and other incidental benefits will be allowed under the following guidelines:

- They are consistent with acceptable business customs and practices.
- They are for a Company business purpose.
- They are not illegal or in violation of the ethical guidelines of the recipient's company.
- They are of reasonable value and would be paid by normal Company expense account procedures.
- They are not solicited by the recipient.
- They cannot be construed as a bribe, payoff or kickback.
- They are not given or received on a repetitive basis.
- They will not cause, or be perceived to cause, the recipient to alter normal business judgment concerning any transaction with the Company.
- They will not be an embarrassment to the Company or the employee if publicly disclosed.
- They will not be in violation of the other party's Code of Conduct.



Due to the diverse business activities conducted throughout the Company, some organizational units have internal guidelines that are more restrictive than those outlined above. In these situations, employees must follow the more restrictive guidelines.

The offer or acceptance of cash, cash equivalents or securities is not appropriate under any circumstances. An employee or members of his or her family may accept discounts on personal purchases of a supplier's or customer's products only if such discounts are offered to all other Company employees.

In some countries, local customs may encourage the giving or exchange of gifts to customers or others on special occasions. In these countries, the giving of gifts that are lawful, appropriate and of nominal value is allowed, provided the action cannot be construed as seeking special favor and prior Company approval is obtained. Where Company guidelines would not normally permit an employee to accept a specific gift, but a local custom would make refusal of the gift awkward or insulting, the gift should be accepted, if lawful. The employee should immediately consult with supervision or the Office of Global Business Conduct concerning the appropriate disposition of the gift.

Special restrictions typically apply when dealing with governments. Employees should consult with the Law Department to determine whether there are any special restrictions before engaging in a business relationship with any government or government-owned entity. Under no circumstances should any gifts, entertainment, meals, transportation, lodging or other things of value be given to any government employee without prior, specific approval from the Law Department.

Any employee who is considering making a payment that could be construed as a “kickback<sup>1</sup>”, has been asked to make a questionable payment by a third party, or has been offered something of value in the course of his or her job duties, should contact his or her supervision or the Law Department for guidance.

### Payments to Government Officials and Employees

Eastman’s policy is to comply with all applicable laws and regulations regarding payments to or providing things of value to government officials and employees. We will not offer, authorize or make any illegal payments or provide anything of value, directly or indirectly, to a government official (including legislators), political party or candidate for political office to use his/her influence to obtain or retain business for the Company. Both the offer and actual payment of anything of value is illegal. Payments to third parties are also prohibited if a person knows or should have known that the third party will make an illegal payment to a government official.



<sup>1</sup>A “kickback” is something of value provided for the purpose of improperly influencing the decision of an individual in his or her official capacity. This could include attempting to influence the decision of a customer in awarding its business to Eastman, the award of or accepting something of value from a prospective supplier to Eastman in return for a contract. It may also include a gift to a government official to influence his or her decision, including a decision to fail to perform his or her lawful duty or to assist Eastman in obtaining or retaining business.

## Reporting Integrity



*Each Eastman employee is responsible for the integrity, completeness and accuracy of the Company records that he or she prepares or maintains.*

Company records must be true, accurate and complete. Such records include accounting records, expense statements, financial and research reports, and time records. Improper or fraudulent accounting, documentation or financial reporting violate Company policy and may also be in violation of applicable laws.

Failure to adhere to the above guidelines may also constitute a violation of the United States Foreign Corrupt Practices Act.

The [Eastman Business Conduct Helpline and Website](#) is available for the confidential submission of concerns regarding questionable accounting or auditing matters. Refer to [Seeking Advice or Reporting Concerns and Violations](#) for additional information regarding Eastman's Business Conduct Helpline.

### Question

A person in my department booked sales during the fourth quarter even though the sale would not complete before January 1<sup>st</sup>. Is this a violation of Company policy?

### Answer

Yes, it is. Intentional accounting misclassifications (e.g., expense versus capital) and improper acceleration or deferral of expenses or revenues are examples of unacceptable reporting practices and serious violations of Company policy.

## Records Management

All Company records, in physical or electronic form, must be retained in accordance with Eastman's Record Management guidelines and applicable legal requirements.

The Company's Legal Hold process is an integral part of Eastman's Records Management program. Whenever it becomes apparent that documents will be required in connection with a government investigation, or threatened or actual litigation, the Law Department will direct you to retain and preserve potential relevant records.

## No Improper Influence on Audits

Employees must not directly or indirectly take any action to manipulate or mislead any internal or external auditor in the performance of an audit.

## Protection and Use of Company Information



*All employees have the responsibility to protect Company assets and resources from loss, theft or misuse.*

### Protection of Company Information

Information is one of Eastman's most valuable assets. The protection of Company information from unauthorized use, disclosure or destruction is the responsibility of every Eastman employee. Company information should only be used for approved Company purposes. Appropriate approvals must be obtained for disclosure of information outside the Company. Failure to adhere to this policy could subject an employee to liability under "trade secrets" protection laws. To the extent allowed by law, the Company reserves the right to monitor the use of Company information at any time, including the monitoring of the corporate information network.



### Use of Company Information for Personal Gain

As a consequence of employment with Eastman, nonpublic information about Eastman, its customers, suppliers and competitors may be made available. This information cannot be used for personal financial profit or other advantage. Failure to adhere to this policy could subject an employee to liability under applicable securities laws. Refer to the [Insider Trading](#) section of this code for additional information.

## Trademarks

Our Company name and logo, our product and service names and logos, and our domain names are all valuable trademark assets. Prior to commercialization, any new company, product or service names or logos must be cleared by the Law Department to ensure that their use will not infringe any trademark rights of another. Employees should not use trademarks or logos of others as or in connection with internal project or code names. As a matter of corporate policy and as a means to protect our customers, Eastman does not permit others to use our trademarks unless we have quality control over the products that are made by another company which bear our trademark. Information on the proper procedure for such licensing of our trademarks for use by others may be obtained by contacting the Law Department. Improper or unauthorized use of one of our trademarks by another company or individual should be reported to the Law Department. Trademarks owned by Eastman may not be used by employees for their own personal purposes.



## Copyrights

Copyrights protect original works of authorship (such as technical papers, news articles, photographs, software, videos and artistic works) that are fixed in tangible form (such as on paper, film, tape, compact disk, floppy disk, internet website or other electronic form). Our copyright policy is to honor the copyrights of others, and we expect others to honor our copyrights. As Eastman employees, we may not copy, photocopy, reproduce (including electronic reproduction), or distribute or transmit by fax or other electronic media (e-mail) any copyrighted work without the permission of the copyright owner or its authorized agent. In a like manner, employees should never copy copyrighted work for their own personal use without permission of the copyright owner. Eastman has a license agreement with the Copyright Clearance Center (CCC) that allows Eastman employees in the U.S to make photocopies of articles produced by publishers who belong to the CCC. There are certain restrictions to this right.

Please refer questions regarding whether a work is registered with the CCC to Library & Information Services.

With regard to computer software, Eastman will only copy and use purchased software in accordance with the applicable licensing agreement. The terms of these agreements vary widely; employees should contact the Global IT Operations and Services with any questions related to the copying and use of Company software.

## Patents

Patents protect new and non-obvious products, processes, equipment and compositions. Eastman's policy is to honor the valid patents of others, and Eastman expects others to honor Eastman's valid patents.

Prior to commercialization, all new products and processes must be cleared by the Law Department to ensure that their commercialization will not infringe any valid patent held by another. A finding of infringement could result in Eastman losing its right to make the infringing product and payment of damages based upon the sales of the infringing product. In addition, a court could, in its discretion, award "trebled" (tripled) damages where the infringement is found to have been willful.

Patents owned by Eastman may not be used by employees for their own personal purposes.

## Inventions

Eastman's future growth and competitiveness depend in part upon the success of our research and development efforts. Employees are reminded that any invention or other intellectual property conceived by them while employed by Eastman and which relates to Eastman's existing or contemplated business is the exclusive property of Eastman. Additional information regarding this matter is contained in the Eastman "Employment Agreement" or may be obtained by contacting the Law Department.



## Trade Secrets

Trade secrets can be defined as information which is both not generally known and gives someone an economic advantage. Most countries have specific laws which govern protection of trade secrets. A trade secret can last indefinitely if properly protected and thus will continue to be important in maintaining Eastman's core business and in future growth of new areas. For these reasons, continued protection of Eastman's trade secrets remains a high priority.

There are many examples of trade secrets within Eastman. Some are technical, such as process operating conditions, product compositions, plant capacity, operating procedures, production equipment, and analytical methods. Others are more business in nature, such as customer lists, pricing, business strategies, Research & Development projects, and market studies. All of this information is proprietary to Eastman and must not be disclosed outside the Company, nor should this information be broadly discussed within the Company unless an individual has a need to know it to do their job. Disclosure of trade secrets can result in financial loss for Eastman, and may result in fines and/or imprisonment for those who made the disclosure. Employees' responsibilities to protect Eastman trade secrets and other proprietary information may extend beyond their term of employment, as stipulated in the Eastman Employment Agreement.

## Information about Other Companies

Eastman will not use any illegal or improper act to obtain another company's trade secrets or other confidential business, financial, scientific or technical information. The use of industrial espionage, trespassing, burglary, wiretapping or stealing to obtain such information is prohibited. Eastman will not hire a competitor's employee to obtain confidential information or improperly solicit confidential data from employees of any party.

As an Eastman employee, you must not disclose or discuss confidential information from a previous employer.

Eastman does not promote its business by disparaging its competitors, their products or their services.

## Confidential Information Provided by Other Companies

Eastman's policy is not to accept information that could be deemed confidential, restricted or limited in its disclosure or use, unless a written agreement specifying the rights and obligations of all parties has been approved by Eastman's Law Department and signed by an authorized representative of each party.

A properly executed agreement is necessary to assure that Eastman's business, research, development and technical services activities are not compromised and that an unwanted confidential relationship is not claimed by another party. An appropriate agreement also can help to avoid the improper receipt of information under the United States Economic Espionage Act of 1996.

Until such an agreement is in place, Eastman employees should refuse to discuss or accept the confidential information of others. Examples of such confidential information could include: unsolicited disclosures by outside inventors, drawings and manuals that bear markings asserting confidentiality; proprietary designs, processes, methods, systems, procedures or formulas; confidential financial information; or business planning documents.

## Data Privacy

Eastman complies with all applicable laws. All employees are responsible for ensuring compliance with the data privacy requirements under the laws and regulations of the respective countries and under the Company's policies. Personal data is any information that directly or indirectly identifies a person. Most countries have laws regulating the collection and use of personal data, although the types of data covered, the nature of the protection, and local enforcement mechanisms vary.

### Question

While eating at a local restaurant, I overheard two Eastman managers discussing a new secret project that is going to be built at my site. Is this discussion a violation of Company policy?

### Answer

Yes, the need to safeguard Company information applies to all employees. These include financial and business information about the Company, and its employees, suppliers and other stakeholders. Other types of confidential information include business strategies, customer requirements, customer lists and pricing strategies. Care should be taken when discussing Company information in public settings and/or e-mail.

## Insider Trading



*In addition to being illegal and unethical, it is a violation of Company policy for employees to buy or sell stock or other securities while in possession of “material nonpublic (inside) information.” This is true for Eastman stock, as well as stock or other securities of suppliers, customers, competitors, venture partners, acquisition candidates or other companies. Information is deemed to be material if there is a substantial likelihood that a reasonable investor would consider the information important in deciding whether to purchase, sell or retain a security. Information is nonpublic if it has not been disseminated in a manner making it available to investors generally (by means of a press release, for example).*

Examples of information that may be considered material include:

- plans for mergers or significant acquisitions
- earnings and financial results prior to release
- news of major changes in senior management or organizational structure
- threatened litigation or changes in the status of an ongoing lawsuit
- loss of important contracts or customers
- planned action regarding our stock
- product developments or discontinuations

In addition, employees with “material nonpublic (insider) information” may not communicate, discuss or “tip” material or other confidential information to family, friends or others who may trade or advise others to trade in Eastman stock.

To avoid even the appearance of impropriety and to facilitate compliance with securities laws, Eastman policy also prohibits employees from buying or selling “put” or “call” options or making “short sales” of Eastman stock, whether or not in possession of inside information.

In addition to the restrictions indicated above, additional restrictions apply to Eastman’s officers and directors. Any employee who has questions regarding the trading of stock should contact the Law Department.

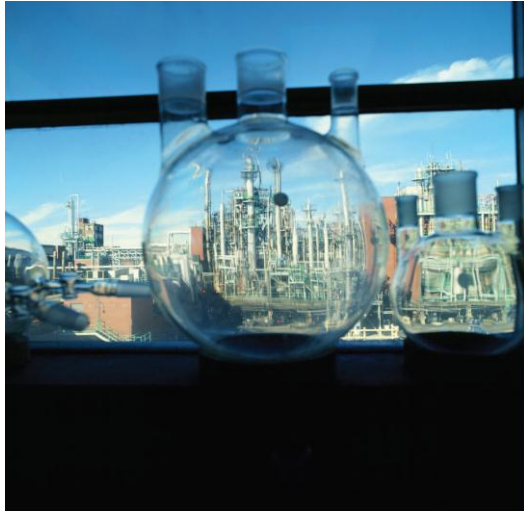
**Question**

I recently learned from another employee that Eastman is going to announce a major acquisition. Can I buy Eastman stock or stock of the other company before this acquisition is announced?

**Answer**

No, you should not buy the stock. Because a major acquisition is normally considered to be material information, it would be a violation of the “insider trading” laws for you to trade in Eastman stock or the stock of the other company before this information has been disclosed to the public. In addition, information regarding the acquisition should not have been disclosed to you, unless there was a specific work-related need for you to have this information.

## Competition Laws



*These laws are designed to encourage competition in business, for the benefit of the consumer. It is Eastman's policy to comply fully with all applicable competition laws.*

### Contacts with Competitors

In all contacts with competitors, avoid any conduct that suggests an expressed or implied understanding or agreement exists with respect to prices, terms of sale, production for third parties, or allocation of customers, markets or territories. Such agreements or understandings can be criminal violations under the competition laws. Such violations could expose an employee to imprisonment and the Company to monetary penalties or significant damage claims.

Company policy prohibits any discussion or communication with any representative of a competitor concerning the following:

- prices
- pricing policies
- bids
- discounts, royalties or promotions
- credit or shipment terms, or other conditions of sale
- choice of customers or allocating customers between competitors
- territorial markets (i.e., dividing up a territory between competitors)
- products to be manufactured and/or sold production quantities or quotas (i.e., agreements between competitors as to the amount of products to be manufactured and/or sold by each or the addition of new capacity)
- employee compensation practices

The following are practical suggestions:

- If invited by a competitor to discuss pricing or other prohibited subjects, terminate the discussion immediately and report it to the Law Department or your supervision/management.
- Do not exchange price lists, bids, terms or conditions of sale with a competitor, except in connection with a bona fide sale to, or purchase from, that competitor.
- Do not call representatives of our competitors at their residences.

- Do not ask someone to determine what competitors will do in response to a proposed price move, where obtaining an answer would involve contacting a competitor. Do not do anything indirectly that would be a violation of law if done directly. “Signaling” price moves among competitors can be tantamount to an agreement on prices.
- Refrain from discussing pricing or other matters detailed above during any acquisition, divestiture or joint venture negotiation or other legitimate contact with our competitors without approval from the Law Department.

**Benchmarking and Information Exchanges**

Benchmarking is a structured approach for exchanging and analyzing information. Any exchanges of information with, or benchmarking of, competitors, whether directly or through a third party or consultant, must be carefully examined to determine whether they raise antitrust concerns. Such exchanges could include information about prices and terms of sales, credit practices, costs, productions levels, future plans and compensation. Accordingly, any such benchmarking or exchanges of information, either directly or through a third party or consultant, must be approved in advance by the Law Department.

**Trade and Credit Associations, Industry Groups**

Trade and credit associations and industry groups typically involve meetings of competitors. In order to assure compliance with antitrust laws and regulations, membership in such an organization, whether of competitors or customers, requires the advance, specific written approval of the Law Department. At such meetings, do not engage in formal or informal discussion of prices or other similar matters with competitors. Legal counsel (arranged by the trade association) should be present at all meetings.

**Government Contracting**

There are complex regulations governing persons and entities that contract with the government. Such contracts can be significantly different than those encountered in contracting with private commercial entities. Government procurement regulations cover pricing, cost accounting, quality control and testing, payment of gratuities and kickbacks to government employees, the hiring or retaining of former government employees, and the confidentiality of government information.

To ensure compliance, do not hesitate to contact the Law Department with any questions.



**Question**

You are at a plastics trade association meeting with other plastic manufacturers. The market for plastic sales is very competitive. You are asked by a competitor to join her in a meeting with other manufacturers of plastic to discuss prices and cost of production. Is this a violation of Company policy?

**Answer**

Yes. The setting of prices among competitors is illegal under competition laws. The discussion of prices is prohibited activity, because agreement to sell at a certain price could be implied from such discussions. Similarly, the discussion of costs to manufacture a product could be considered to be closely related to price fixing. Such discussions should be strictly avoided.

### **Gifts, Kickbacks, Rebates, Bribes**

Eastman's relationships with other companies may involve the exchange of gifts or other business courtesies. Eastman's policies prohibit offering, giving, or receiving bribes or kickbacks in any form. For information on these topics, please refer to the [Giving/Receiving Cash, Gifts, Services, Favors and Other Benefits or Business Courtesies](#) section of this Code.

### **Reciprocal Dealing**

Eastman's decision to buy goods and services from a supplier must be made independently from the supplier's decision to purchase Eastman products or services.



## Global Business Activities



*As Eastman products move across borders, they are subject to the laws of a variety of countries. Since these laws may vary widely from country to country, care will be taken to identify and accommodate these differences. Where laws do not exist or where the laws, customs or business practices are less demanding than the Company's policies and guidelines, we will use the Company's higher expectations to guide our actions.*

## Facilitating or Expediting Payments

Facilitating or expediting payments to secure timely performance of "routine governmental actions" that the Company is entitled to under local law is not prohibited. Such actions include obtaining permits and licenses, processing visas and work permits, mail pickup and delivery and providing telephone and water service and supply. "Routine governmental action" does not include any governmental decision whether, or on what terms, to award business to the Company. Where payments for "routine governmental actions" are required, they will be made only after prior approval of Company counsel, they will be limited to customary and nominal amounts and will be made only to facilitate the proper performance of these actions. The decision of an official of whether to award business to the Company may never be considered a "routine governmental action" for these purposes.

Facilitating and expediting payments will be recorded as a business expense in the Company's books and records. All payments of this type made by employees in the course of Company travel must be properly noted and labeled on their expense statements. Extreme caution in the making of such payments should be exercised by employees. Where payments of this type have not been previously approved, advance approval of Company legal counsel is required.

Any questions about the legality of any contemplated gift or payment to an official or elected representative should be directed to the Law Department.



### Question

I know one of our customers reexport Eastman products to North Korea. Is this a problem?

### Answer

Yes. United States law prohibits U.S. companies and their subsidiaries from exporting to certain listed countries. North Korea is currently on such list. Any proposed dealing (including indirect dealing through a third party) with a country or entity subject to a U.S. sanction or embargo is prohibited without prior review by the Law Department to determine whether the proposed conduct is allowable under U.S. law.

## Export Control—Products and Technology

Many governments have laws and regulations that govern the export of products and technical data from one country to another. Eastman's policy is to comply with all applicable export regulations worldwide.

Acts of exportation of technical data include: disclosing technical information to an employee of one of our non-U.S. subsidiaries; disclosing technical information to a non-U.S. citizen, including Eastman employees or consultants who do not have a green card; and providing information to non-U.S. companies or individuals. Thus, any disclosure involving a non-U.S. person or entity must be reviewed prior to the disclosure.

The export laws and regulations are constantly changing. For questions regarding the proposed export of products or technical data, review the matter with the organization's export compliance representative, Eastman's International Trade Manager, or the Law Department.



## Sanctions, Embargoes and Anti-Terrorism

Company policy prohibits the use of Company assets or personnel to finance or otherwise aid terrorist groups or activities. Additionally, U.S. companies, as well as their foreign subsidiaries, are subject to U.S. laws relating to sanctions and embargoes. These laws also prohibit transactions with terrorists and narcotics traffickers, and imports from designated foreign persons who promote the proliferation of weapons of mass destruction. Any proposed dealing (including indirect dealing through a third party) with a country or entity subject to a U.S. sanction or embargo is prohibited without prior review by the Law Department to determine whether the proposed conduct is allowable under U.S. law.

## Antiboycott

Eastman will not participate in or support economic boycotts that are not sanctioned by the U.S. government. Under the antiboycott laws, we cannot do such things as:

- refuse to do business with an illegally boycotted country
- furnish or agree to furnish information about business relationships with illegally boycotted countries
- pay, honor, issue, confirm or negotiate a letter of credit requiring Eastman to participate in an illegal boycott

Boycott-related requests are often received orally or in the form of a contract bid, purchase order, insurance verification, letter of credit, shipping document or joint venture or alliance negotiations. Any request to participate in or support an illegal economic boycott must be reported to the government. Failure to do so is a violation of U.S. law. These laws apply to Eastman's operations inside and outside the United States. Any boycott request should be forwarded to the Law Department.

## Political Activities



*Participation in the political process is a basic right. However, it is important to make a distinction between individual and corporate political activities to assure compliance with applicable laws and regulations.*


### Individual Political Activities

Eastman encourages personal participation in such activities in a manner consistent with applicable laws and Company policy. No employee shall be reimbursed for any political contributions without specific, prior approval from Eastman's Government Relations Department and the Law Department.

Employees considering seeking public office should be aware of applicable Company personnel policies and discuss this matter with their supervisor or Human Resources Representative. To prevent a conflict of interest and assure compliance with applicable law, at no time should Eastman's name, information, property, time, or other resources be used for political activities not specifically sponsored by the Company or approved by Eastman's Government Relations Department.

### Corporate Political Activities

Any contribution by the Company to a political party in any country must be done in accordance with local law. To ensure compliance with contribution laws, no political contributions of any kind, either direct or indirect, shall be made by the Company or on its behalf without the express authorization from Eastman's Government Relations Department and the Law Department.



**Question**

As a full-time employee of Eastman, can I run for public office?

**Answer**

You must be aware of Eastman's applicable personnel policies and discuss it with your supervisor or HR Representative before making that decision.

## Health, Safety, Environmental & Security (HSES)



*Eastman's HSES Fundamental Guiding Principles state that Eastman will carry out its worldwide business in a manner consistent with sound health, safety, environmental and security practices and applicable laws, regulations and Responsible Care® principles.*

Numerous laws regulate the activities of persons or corporations that may affect human health and safety or impact the environment. Each employee needs to have a working knowledge of the HSES laws, regulations and Company policies that apply to his or her area of responsibility and to know what resources are available in the Company to assist in achieving compliance. Violations of applicable laws and regulations can result in penalties against the Company or the employee who violates such laws. Failure to comply with Company HSES policies can damage the Company's long-standing reputation for environmental excellence.



Responsible Care® is the global chemical industry's initiative developed to respond to public concerns about the manufacture and use of chemicals. Through Responsible Care®, member companies, including Eastman, are committed to support a continuing effort to improve the industry's responsible management of chemicals. Eastman ensures compliance with Responsible Care® through implementation of the Responsible Care Management System and adherence to the Eastman Corporate HSES Policy, which embodies the principles of Responsible Care® in its Principles, Essential Elements, Expectations and Guidelines.

For additional information regarding health, safety, environmental and security practices and laws related to Eastman's business operations, please go to the Safety & Security SharePoint site.

## Resources

### Office of Global Business Conduct Intranet Site

The Company maintains an ethics and compliance intranet site with additional information about the Code, policies and guidelines, training, and other ethics and compliance matters.

### Policies, Standard Operating Procedures and Guidelines

The Code of Business Conduct does not address all workplace conduct. The Company maintains additional policies, procedures and guidelines that may provide further guidance on matters in the Code or address conduct not covered by the Code. Employees should be familiar with all Corporate policies applicable to their job. Corporate policies, procedures and guidelines are available on the intranet site.

### Office of Global Business Conduct

The Office of Global Business Conduct is available to answer any questions about the Code or Company compliance policies, or to discuss any concerns you may have about potential Code violations.

To contact the Global Business Conduct Office:

Call - 1.423.229.5552  
 Email – [compliance@eastman.com](mailto:compliance@eastman.com)  
 Fax – 1.423.229.8643  
 Mail to – Office of Global Business Conduct  
 Eastman Chemical Company  
 PO Box 431  
 Kingsport, TN 37662


### Reporting Concerns

Toll-free reporting from the United States and Canada: 1-800-455-5622

Toll-free reporting from international locations: Dial the AT&T access code as shown then 800-455-5622

Argentina:	0-800-555-4288 or 0-800-288-5288
Australia:	1-800-881-011 or 1-800-551-155
Belgium:	0-800-100-10
Brazil:	0-800-890-0288 or 0-800-888-8288
China:	108-888 or 108-11
Denmark:	800-100-10
Estonia:	800-12001
France:	0-800-99-0011
Germany:	0-800-225-5288
Hong Kong:	800-96-1111 or 800-93-2266
Hungary:	06-800-011-11
India:	000-117
Italy:	800-172-444
Japan:	00-539-111 (KDDI) 00-663-5111 (Softbank Telecom)
Malaysia:	1-800-80-0011
Mexico:	01-800-288-2872 or 001-800-462-4240
Netherlands:	0800-022-9111
Poland:	00-800-111-1111
Russia:	755-5042 (from Moscow); 8^10-800-110-1011 or 8^10-800-120-1011 (from other cities)
Singapore:	800-011-1111 or 800-001-0001
South Africa:	0800-99-0123
South Korea:	00-729-11 or 00-309-11
Spain:	900-99-0011
Switzerland:	0-800-89-0011
Taiwan:	00-801-102-880
Thailand:	1-800-0001-33 or 001-999-111-11
Turkey:	0811-288-0001
United Kingdom:	0-800-89-0011 or 0-500-89-0011

The AT&T Access Codes change periodically. For the most up-to-date information on international access codes, consult AT&T's website at [www.att.com/traveler](http://www.att.com/traveler).



**Eastman Chemical Company  
reserves the right to amend,  
alter or terminate this Code at  
any time and for any reason.**