INTRODUCTION

For many years, this Company has established and administered various procedures and policies designed to ensure that the highest standards of integrity, honesty and scrupulous adherence to all laws are observed by this Company. This handbook is intended to restate the Business Conduct Policy which has served this Company so well over the years. Specific Company policies other than the Business Conduct Policy remain in effect and are not altered by this Handbook.

APPLICABILITY

The business conduct program, which includes the Business Conduct Policy, the Business Conduct Questionnaire and this Handbook (the "Program"), applies to all employees and directors of the Company, its subsidiaries and affiliated companies, wherever located. No employee or director, at any level, is exempt from strict compliance with the Program. Failure to comply with the Program and its policies will result in disciplinary action, including, when appropriate, discharge.

EMPLOYEE RESPONSIBILITIES

Every employee, including every member of management, shall:

- Comply with all laws and regulations which apply to the performance of your responsibilities of an employee.
- Report immediately to the Compliance Officer, the Lead Director of the Board of Directors, or the Audit Committee of the Board of Directors any violation of the Program and cooperate fully in the investigation of any alleged violation.
- Understand the responsibilities imposed by the Program. Employees unsure of their responsibilities should seek clarification from their supervisor, any member of management or the Compliance Officer.

MANAGEMENT RESPONSIBILITIES

Every member of management shall also:

- Create a work environment which supports strict compliance with the Program.
- Ensure that all employees understand their responsibilities under the Program by implementing appropriate training and by presenting Business Conduct Questionnaires routinely to all employees.
- Encourage employees to report promptly, without fear of reprisal, any conduct or activity which creates the appearance of wrongdoing or impropriety under the Program.
- Report immediately any alleged violation of the Program to the Compliance Officer, the Lead Director of the Board of Directors, or the Audit Committee of the Board of Directors.
- Take appropriate disciplinary action against any employee found to violate the Program.

DIRECTOR RESPONSIBILITIES

- Comply with all laws and regulations which apply to the performance of your responsibilities of a Director.
- Report immediately to the Compliance Officer, the Lead Director of the Board of Directors, or the Audit Committee of the Board of Directors any violation of the Program and cooperate fully in the investigation of any alleged violation.

EMPLOYEE RESOURCES AND HELPLINE

Except as noted below, if you have concerns about conduct which could violate or appear to violate the Program, please discuss your concerns with

- your supervisor;
- any member of management;
- any member of the legal department; or
- the Compliance Officer.
If you have concerns about conduct that could constitute unlawful harassment, discrimination or retaliation, please discuss your concerns with:

- the Human Resources professional of your choice;
- any member of the legal department; or
- the Compliance Officer.

If you have concerns regarding questionable accounting or auditing matters, please report them immediately to one of the following:

the Compliance Officer;

- the Audit Committee:
  
  Audit Committee Chairman
  
P. O. Box 385014
  
  Birmingham, Alabama 35238-5014

If you are uncomfortable raising your concerns with any of these people, please make a report via the links available at the V-net or www.vulcanmaterials.com or call the Vulcan Materials Company Helpline: for U.S. Operations: 800-615-4331; for Mexican Operations 01-800-225-4220; for Bahamas 1-800-872-2881, at the English prompt dial 800-615-4331. This Helpline is staffed by knowledgeable, unbiased professionals whose function is to assist you with compliance questions. They will handle your inquiry with the utmost discretion. No employee using the Helpline will be punished for making a legitimate report. If you request it, you may remain anonymous and your report will be kept confidential to the extent permitted by law and consistent with enforcement objectives. In addition, you may express any concern regarding a potential violation of any aspect of this Business Conduct Policy to the Lead Director of the Board of Directors who may be contacted in writing at P.O. Box 385014, Birmingham, AL 35238-5014.

WAIVERS OF THE POLICY

If an employee believes that a waiver of a particular provision of the Policy is appropriate because of certain circumstances, he or she should discuss the matter with the Compliance Officer. Waivers for executive officers or directors of the Company may be made only by the Board of Directors or a committee of the Board.

COMMON QUESTIONS AND ANSWERS

QUESTION: Will I get in trouble for reporting a violation of the Program or by using the Helpline?

ANSWER: No. In fact, you have an obligation to do so. A primary purpose of the Program is to encourage frank discussion of ethical or legal problems. Unless you have participated in a violation of the Program, you need not fear any disciplinary action, and unless there is a legal requirement to disclose your name, we will maintain your confidentiality if you request it.

QUESTION: If I see another employee involved in a violation of the Program, is it okay to talk to him and try to persuade him to stop violating the Program, or do I have to report the violation immediately?

ANSWER: If you feel comfortable doing so, please speak directly with your fellow employee. All of us are charged with enforcing the Program. There may be situations where an employee commits an unintentional violation of the Program and merely bringing this violation to the attention of your fellow employee may solve any future problems. In such a situation, either you or your fellow employee must still report the incident. Your report of this incident will alert the Compliance Officer to the fact that the Program might need improvement in a given area.

If your fellow employee persists in committing an ethical violation or if the employee appears to violate any law, you must report the violation promptly.

QUESTION: If I am having trouble with my supervisor, or with another employee, is it okay to use the Helpline even if the issue is not related to the Program?
BUSINESS CONDUCT POLICY  
CONFLICTS OF INTEREST AND CORPORATE OPPORTUNITIES

THE POLICY

Personal activities engaged in by you or your spouse which influence or appear to influence the objective decisions required of you in the performance of your job duties and responsibilities are considered conflicts of interests and are prohibited unless disclosed to the Compliance Officer and approved as being immaterial.

You may not take for your personal benefit any business opportunities that are discovered through the use of Company property, information, or position. Additionally, you may not use Company property, information, or position for personal gain, or otherwise compete with the interests of the Company.

WHY?

You have an obligation to give your undivided business loyalty to the Company and to advance the Company's legitimate business interests when the opportunity to do so arises. Our customers and shareholders are entitled to expect that all decisions affecting the Company are made objectively and on the basis of sound business considerations.

HOW DOES THE POLICY WORK?

All potential conflict situations must be disclosed to the Compliance Officer. In addition, certain types of conflict situations must first be approved in writing by the Compliance Officer. Examples of these include:

- Engaging in any business which competes, directly or indirectly, with the Company.
- Having a direct or indirect financial interest in or financial relationship with the Company's competitors, suppliers or customers, except for stock ownership of publicly held corporations, the value of which is less than 25% of your total annual income.
- Having part-time employment or consulting relationships with companies other than the Company, except where it is clear that no conflict of interest will arise and none of such activities are engaged in on Company time or with Company resources. Examples of situations that might pose a conflict of interest include:
  - Situations where the other party is a direct or indirect competitor, supplier or customer of the Company.
  - Situations where you may direct or influence the purchase or sale of Company products, services by, to, or from, another party in which you have a direct or indirect financial interest.
  - Situations where you are providing your opinion or information to an external consultant or other third party on the construction materials market and/or Vulcan’s position in the market.

No employee or director should take for his or her benefit any opportunities discovered in the course of work with the Company that the employee or director has reason to know would benefit the Company.

QUESTIONS TO ASK YOURSELF

- Are customers, suppliers, subcontractors or competitors of the Company involved in any way with my personal, non-Company business or investment activities? If so, a potential conflict of interest exists and you should make the proper disclosure to the Compliance Officer.
- Could my outside activities affect the Company in any way? If so, make the proper disclosure to the Compliance Officer.

SAMPLE SITUATIONS

- My husband is a self-employed trucker. Sometimes he hauls for customers of the Company. Do I need to report this?
- My wife is a part-owner of a restaurant. Sometimes I take customers to eat at this restaurant and the Company reimburses me for those expenses. Need I disclose?
Yes for both. While no material conflict may exist, this type of arrangement must be revealed. You or the Company might be hurt by the appearance to others that your spouse has some type of "special deal" with the Company. The Compliance Officer can help you make sure no material conflict exists.

- **Through my business contacts with a customer, I become aware of a parcel of undeveloped land containing aggregate reserves that is for sale. May I buy an interest in the land without informing the Company?**

  No. You became aware of this opportunity by virtue of your work with the Company. This is a corporate opportunity. You should report this opportunity to the appropriate person within the Company.

- **ABC Consulting Firm offers to pay me if I will give them an opinion on whether the construction materials industry will grow in a certain market. May I do this?**

  No. You only have specialized knowledge about this market because of your employment with Vulcan, and you are prohibited from sharing that knowledge with anyone outside the Company.

### ENTERTAINMENT, GIFTS AND KICKBACKS

**THE POLICY**

No employee or director shall accept or offer entertainment, gifts or cash or its equivalent in the performance of his or her duties for Vulcan that would have the effect or appearance of influencing the judgment of the recipient in the performance of his or her duties.

**WHY?**

This Company competes solely on the merits of products and services it produces and provides. You must ensure that gifts, gratuities or other types of favors, do not influence your or your customer's decision-making process.

**HOW DOES THE POLICY WORK?**

The policy prohibits only inappropriately motivated exchanges. You may, of course, exchange customary business courtesies intended to enhance business relationships. Business courtesies are small gifts, such as items carrying the Vulcan logo or meals, cocktails, hospitality, entertainment, recreation, tickets, promotional items or any other tangible or intangible thing of value for which the recipient does not pay the fair market value. You may extend business courtesies to customers or receive them from suppliers, only if they meet the following guidelines:

- They do not violate the laws, regulations, reasonable customs or the marketplace, or known policy of the recipient.
- They are inexpensive or they have been approved by a senior corporate officer, division president, or the Compliance Officer. (In the case of directors, approval should be sought from the board).
- They are appropriate as to time and place; they can withstand public scrutiny; and they do not influence or give the appearance of influencing the business judgment of the recipient.
- You must never exchange cash or its equivalent.

**QUESTIONS TO ASK YOURSELF**

- **Is the item offered to or by me within the bounds of moderation and common sense?** If so, you may give or receive the item.
- **Will giving or receiving the business courtesy affect or appear to affect one's ability to make an impartial decision with respect to the products or services of giver?** It must not.
- **Do you have any doubts as to the propriety of a particular business courtesy?** If so, consult your Vice President, Human Resources, or the Compliance Officer. Perceptions may vary as to the propriety of a particular action.
- **Is my purpose in giving particular business courtesies to achieve a specific result, other than fostering general goodwill?** It should not be.
- **Does the receipt of a particular business courtesy make one feel obligated to the giver?** It should not.
SAMPLE SITUATIONS

- I have been invited to play golf with one of our suppliers. Should I go?
  It depends. If the supplier is planning to fly you to an exotic location for an all-expenses paid weekend, and the supplier does not customarily entertain customers so lavishly, probably not. If the invitation is for an afternoon at a local course, probably so. The question is one of degree and perception. If you are in doubt, you must consult your supervisor or the Compliance Officer.

- One of our suppliers gave me a windbreaker with his company logo printed on it. May I keep it?
  Yes. Such business courtesies are customary and appropriate.

- One of our suppliers gave me a new set of golf clubs. I'm thrilled. Is this okay?
  No. Such an expensive gift is inappropriate.

- A supplier of the Company has offered to "reimburse" me for 5% of each order I place with him. And, he's already giving the Company a terrific price. Is this okay?
  No. Any such reimbursement must go to the Company; this is a kickback to you. You must not accept it and you must report the offer to the Compliance Officer in order to document your refusal.

GOVERNMENT PERSONNEL

THE POLICY

No employee or director may pay or confer any type of payment or benefit upon any local, state or federal governmental official or employee or any other person if such payment or benefit is either prohibited by law or was made with the intent to influence or affect official action.

WHY?

In certain circumstances, it is a criminal offense to offer, provide, solicit or accept anything of value to or from any governmental official. It is always a criminal offense to give anything of value to a government official if your intent is to influence a specific, official action.

HOW DOES THE POLICY WORK?

The policy works simply: do not give any item, services, entertainment, meal, gift or transportation of value to a governmental official if prohibited by law or if your intent is to influence specific, official acts.

QUESTIONS TO ASK YOURSELF

- Are you giving something of material value to a governmental employee in violation of law? You should not.

- Do you have even the slightest doubt about your motivation for giving a particular gift? If so, don't give it.

SAMPLE SITUATIONS

- A neighborhood group, of which our city councilwoman is a member, has become very vocal about the noise and dust they allege emanates from our quarry. We would like to invite this group to an informal meeting in order to attempt to address their concerns. We will provide drinks and snacks. May we?
  Sure. So long as the evening is modest in scope, this type of "good will building" would seem to be appropriate.
POLITICAL CONTRIBUTIONS

THE POLICY

No Company funds, services or assets may be contributed or loaned to support or oppose any political party, political action committee, or candidate for political office except through Company-sponsored political action committees.

WHY?

Federal and many state laws prohibit corporate contributions to political parties or candidates.

HOW DOES THE POLICY WORK?

Except through Company-sponsored political action committees, neither employees nor directors may use Company time, funds or supplies to support political activities, nor may the Company coerce employees to make donations to political action committees, political parties, candidates or causes. Any employee or director may, however, support any candidate or any political party through personal contributions and every employee and director is encouraged to do so.

QUESTIONS TO ASK YOURSELF

- *Is my contribution of time or money to a candidate or political party paid for by the Company?*  
  It must not be.

- *Is my activity on behalf of the candidate or political party on my own time?*  
  It must be.

SAMPLE SITUATIONS

- *I am a volunteer on a friend’s campaign for the Democratic nomination to the U.S. Senate. May I use the Company copier to make fliers if I reimburse the Company for the paper and if I do so after hours?*  
  No. This is still a use of Company assets to support a political candidate and has the appearance of impropriety.

- *I am an employee and my supervisor has asked me to support a bill in Congress that affects the Company’s business. He’s even given me a sample letter to send to my Congressman. Can I send this letter on Vulcan’s letterhead?*  
  Absolutely. The policy only applies to corporate contributions to political parties or candidates.

REPORTING AND RECORDKEEPING

THE POLICY

The Company's financial, accounting, and other reports and records will accurately and fairly reflect the transactions of the Company in reasonable detail, and in accordance with applicable accounting rules and governmental regulations.

WHY?

Inaccurate records are the paper equivalent of a spoken lie. There is no ethical distinction between a written lie and a spoken one and neither is acceptable in performing Company business. This Company requires candor from employees at all levels, as well as directors, manifested by fair and accurate bookkeeping, honest budget proposals and honest project evaluations.

HOW DOES THE POLICY WORK?

All reported information must be accurate when made and organized in a fashion so as not to mislead.

- *No funds or accounts may be established or maintained for purposes not described fully and accurately in the relevant books and records.*
- *No undisclosed, unrecorded or off book funds or assets may be established or maintained for any reason.*
• No false, fictitious or intentionally misleading entries shall be made on the books or records of the Company, and no false or misleading reports pertaining to the Company or its operations shall be issued.
• Payments must be made only for work actually performed or products delivered and accepted.
• All invoices must reflect accurately the product sold or work performed, the true sales price and the terms of the sale.
• Administrative and accounting controls will be in place to assure that financial and other reports are accurately and reliably prepared, and fully and fairly disclose pertinent information.

QUESTIONS TO ASK YOURSELF

• I am an employee. Am I altering facts and reports to please my supervisor?
  You must not.
• Am I altering a record to cover up a mistake that I or one of my colleagues made?
  You must not.
• Am I altering facts or reports to make the Company look better (or worse)?
  You must not.

SAMPLE SITUATIONS

• I am an employee and I believe my supervisor has altered sales to a particular customer on my Division's monthly sales report in order to inflate financial results. What should I do?

  Misrepresenting information in a sales report or other financial report is dishonest and in some cases illegal. You should report this matter directly to the Compliance Officer, the Lead Director of the Board of Directors, or Audit Committee of the Board of Directors or anonymously through the Company's Helpline.

• I am an employee and I made a little mathematical mistake on a recent report. The amount is insignificant, but my supervisor will be furious. Do I have to tell her and reissue my report?

  You should. The Company requires scrupulously honest recordkeeping and your supervisor should respect your candor in coming forward.

REPORTING REMINDER

If you learn of or suspect accounting fraud, report it immediately! There are several ways to report actual or suspected accounting fraud. You may report it to the Company's Compliance Officer, the Lead Director of the Board of Directors, the Audit Committee of the Board of Directors, or anonymously through the Company's Helpline, as follows:

• Compliance Officer:
  1200 Urban Center Drive
  Birmingham, AL  35242
  205/298-3202

  Lead Director – Vulcan Materials Company
  P.O. Box 385014
  Birmingham, Alabama 35238-5014

• Audit Committee Chairman - Vulcan Materials Company:
  P. O. Box 385014
  Birmingham, Alabama 35238-5014

• Helpline: 1-800-615-4331
ANTITRUST

THE POLICY

Each employee and director must comply in every respect with all state and federal antitrust laws.

WHY?

The Company is committed to free, vigorous and, above all, lawful competition. The federal government, as well as most states, have passed laws which prohibit certain marketing and business practices which result in the elimination or reduction of competition. Failure to comply strictly with these antitrust laws can subject the Company and its employees to substantial fines and criminal penalties.

HOW DOES THE POLICY WORK?

The antitrust laws are complex. Every employee and/or director whose duties performed on behalf of Vulcan expose him or her to potential antitrust situations must be appropriately trained in antitrust compliance. In addition, every employee and director is charged with knowing and complying with the following rules:

- **Price Fixing.** You may not enter into or attempt to enter into any written or oral agreement with a competitor concerning price or any other term of sale, distribution, production, territory or customer.
- **Terms of Sale.** You may not exchange information regarding any term of sale with a competitor unless that discussion is necessary or relevant to a bona fide prospective or existing buyer-seller relationship or unless legal counsel for the Company has authorized such conversation in writing.
- **Tying Agreements or Exclusive Dealings.** You may not use the Company's market position for one of its products or services to force a customer to take other products or services as a condition to delivery of the desired article. Similarly, without advice of counsel, you may not sell a product on the condition that the purchaser will not use or purchase the products of a competitor. You may, however, by attractive pricing, encourage customers to buy specific mixes of products or to choose the Company as its preferred supplier.
- **Anticompetitive Practices.** You may not enter into any understanding or agreement, expressed or implied, written or oral, between this Company and a competitor to 1) allocate territories, markets or customers; 2) limit production of any product; or 3) boycott a particular customer or supplier.
- **Advice of Legal Counsel.** The Company has a long established policy to stand behind those who have based their actions on legal advice provided by the Company.

QUESTIONS TO ASK YOURSELF

- **Do you have contact, written or oral, with a competitor?**

  You must not, unless it is relevant to a bona fide business transaction or unless you have first consulted with a member of the legal department.

- **Are you using Vulcan's market power to extract concessions from customers or suppliers?**

  You should be careful. Use of market position to extract unreasonable concessions is a violation of the antitrust laws.

SAMPLE SITUATIONS

- **An employee recently ran into the Vice President, Sales, for one of our big competitors at a meeting. As they were walking to their cars, he jokingly said that even though his company had been awarded a recent bid, things sure would be better for all of us if we would quit "beating each other up" on price. The Vulcan employee just said, "It sure would," and got in his car. Since the Company is not going to ease up on pricing, did the employee do the right thing?**

  No. You must never discuss price with a competitor, no matter how casually, unless that competitor is a customer and you are discussing a sale to him. In this situation, you should have told your competitor that you could not be part of such a conversation and then made and delivered to the Compliance Officer a written record of your conversation. It is inappropriate for you to ignore the competitor's statement.
Can I call a competitor to verify a price a customer quoted to me?

No. You must never discuss price or any other term of sale with any competitor, except for bona fide sales.

We typically serve the stone market in one county. Our competitor serves the adjacent county. Is this okay?

It depends. If bona fide, intelligent marketing practices dictate that each company serve only a specific market and there is no agreement to divide territories, there is no problem. If there is an agreement to allocate a territory, there is a violation of the antitrust laws. If there are questions, you should discuss the situation with a member of the legal department.

FAIR DEALING

THE POLICY

Each employee and director should endeavor to deal fairly and honestly with the Company's customers, suppliers, competitors and employees.

WHY?

This Company has a history of succeeding through honest business practices. This Company does not seek competitive advantages through illegal or unethical business practices.

HOW DOES THE POLICY WORK?

Each employee and director shall respect the rights of, and deal fairly with, customers, suppliers, competitors and employees of the Company. No employee or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practices.

QUESTIONS TO ASK YOURSELF

- Am I dealing fairly and honestly with the Company's customers, suppliers and competitors?
  You must.

SAMPLE QUESTIONS

- A customer has ordered fifty loads of a particular size of stone. The Company has enough inventory to deliver forty loads of the requested stone size. Should I disclose this inventory shortage to the customer?
  Absolutely.

- Must I disclose all pertinent Company information to a third party while negotiating a contract?
  Except where authorized or legally mandated, you should not disclose Company proprietary information in the course of the negotiations. However, you must not misrepresent facts or make misleading statements to the third party. If you have any questions as to whether you are dealing fairly with a third party, contact your supervisor, a member of the legal department or the Compliance Officer. In the case of a director, please make the Compliance Officer or the board aware of any concerns you may have.

HUMAN RESOURCES

THE POLICY

The Company, its employees, and its directors will comply with the letter and spirit of applicable laws concerning equal employment opportunities and will maintain a work environment free from discrimination based upon race, color, religion, national origin, sex, age, disability, sexual orientation, gender identity, veteran status, marital status, genetic information, or any unlawful factor.
WHY?
This Company's success depends upon the superior personal merits of its employees and/or directors. This Company values the diverse gifts of its employees and directors.

HOW DOES THE POLICY WORK?

No employee or director may make employment decisions, including recruiting, hiring, promotions, involuntary transfers, compensation, performance evaluations, disciplinary suspensions, demotions, or terminations on the basis of unlawful discrimination. Merit is the only measure of an employee's success. In addition, the Company will not tolerate the existence of any intimidating or offensive work environment, whether created by other employees, contractors, suppliers, business clients, vendors, or customers doing business with the Company. No employee or director may engage in racist, sexist or ethnic jokes or inappropriate physical contact or any other type of unlawful harassment.

QUESTIONS TO ASK YOURSELF

- Is my attitude toward any other employee affected by issues of race, color, religion, sex, age, disability, genetic information, sexual orientation, veteran status, marital status or any unlawful factor?
  It should not be.

- Could my actions be perceived as offensive or intimidating?
  They should not be.

SAMPLE SITUATIONS

- A co-worker, with whom I am friendly, frequently makes off-color jokes which I find offensive. I know she doesn't mean to make me uncomfortable, but I am embarrassed nonetheless. Can I anonymously report her to the Helpline?
  Of course you may, and should, if you don't feel comfortable addressing this issue with your friend face to face.

- My friend, who is a minority, was recently denied employment with the Company. He suspects discrimination and wants me to use the Helpline to find out what happened. May I?
  You may use the Helpline to report suspected discrimination and you are guaranteed that your concern will be fully investigated. The Company may not, however, violate your friend's privacy by disclosing to you any facts concerning your friend.

INSIDER TRADING

THE POLICY

No employee or director may purchase or sell, or suggest that any other person purchase or sell, any securities of the Company if that employee possesses confidential, material, nonpublic information.

WHY?
Trading on inside information can give rise to substantial civil and criminal penalties, including fines and imprisonment. These penalties may apply to the individual employee and/or director violating laws as well as to the Company.

HOW DOES THE POLICY WORK?

Generally, the rules concerning insider trading are as follows:

- You may not trade in the stock or other securities of a firm if you, as a result of your work with the Company, have material, nonpublic information about that firm. Material information is information that a reasonable investor would consider important in deciding whether to buy, sell or hold a security. Information is nonpublic if it has not been publicly disclosed by a press release, government filing or other official announcement.
• You may not communicate material nonpublic information about the Company or any other firm to other persons and you may not recommend to anyone the purchase or sale of any securities on the basis of that information. This prohibition on trading extends to members of your immediate family or anyone in your household.

• Certain members of management and directors may never trade in Company stock, except during specifically designated timeframes. The Compliance Officer is charged with notifying all such individuals that they are subject to such restrictions.

• IF YOU HAVE QUESTIONS ABOUT WHETHER YOU POSSESS MATERIAL NONPUBLIC INFORMATION, YOU MUST CONSULT THE COMPLIANCE OFFICER PRIOR TO ENGAGING IN ANY TRADE, INCLUDING (FOR EMPLOYEES) REALLOCATIONS WITHIN YOUR THRIFT PLAN ACCOUNT.

QUESTIONS TO ASK YOURSELF

• If I am planning to buy or sell stock, do I have any information which is not public and which other investors might want to know about in deciding whether to buy or sell stock?
  If so, you should not trade. If you are uncertain, contact the Compliance Officer.

• Am I considering telling friends or family any material, nonpublic information about the Company?
  You should not. If you give them the information, and they trade on that basis, you can be criminally liable, even if you do not trade.

SAMPLE SITUATIONS

• I am part of a team of Company employees that is evaluating the potential acquisition of a competitor. Can I increase the percentage of Vulcan stock invested in my 401(k) plan?
  Maybe. You must first consult with the Compliance Officer. You may not so trade in Vulcan stock if you have knowledge of nonpublic, material information. If the Compliance Officer determines that the acquisition would not have a material effect on the Company as a whole, you may trade. Further, because of your knowledge of the project, there may be limitations on your ability to purchase or sell the competitor's stock.

• I worked on next year's projections. Things look great! May I trade?
  Absolutely not. Projections are the classic example of insider information. If you possess such information, you may not trade at all until the information has been made public.

COMPANY ASSETS

THE POLICY

Other than minimal, incidental uses, no employee or director may use assets owned by the Company for any purpose other than the Company's business; also, confidential Company information is an asset that must not be shared with a competitor or used for personal profit or advantage.

WHY?

The assets of the Company are owned by the shareholders of the Company, who expect that they will be used only for Company business.

HOW DOES THE POLICY WORK?

The policy prohibits the use of Company assets for personal benefit (except uses that are minimal, incidental or specifically approved pursuant to some other policy of the Company). Company assets include, among all other physical items, Company-owned computers and software, electronic mail systems, Internet access and voice mail. Employee time is also a Company-owned
asset. The Company acknowledges employee use of Company phones, supplies and equipment from time to time on an incidental basis; each employee must consciously monitor his or her own behavior in this regard.

Employees and directors should maintain the confidentiality of non-public information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated. Examples of confidential information include marketing strategies, operating costs, production levels, new ventures and price quotes to our customers.

**QUESTIONS TO ASK YOURSELF**

- *Did I pay for the item I am using?*
  
  If not, it should be used only for Company business.

- *Am I using the item in question for personal business?*
  
  You should not be.

- *Would disclosure of information help a competitor, or be harmful to the Company or its customers?*
  
  If so, you should not disclose the information.

**SAMPLE SITUATIONS**

- *Sometimes I forget and take home pens, paper and other supplies from my office. Is this a violation of the policy?*
  
  Yes. Although the Company recognizes that occasionally an employee might inadvertently take home such items as a pen, all Company property should be used for Company purposes.

- *An employee uses his Company computer on his own time to manage the books of his, or his wife’s, business. Is this okay?*
  
  No. Even though he has not used Company time to do this project, he has used a Company asset - the computer - for significant non-Company business.

- *My neighbor asks me how much the Company paid for a new truck. Is it okay to answer since he does not work for a competitor?*
  
  No. The prices that we pay vendors, credit arrangements and similar procurement matters are non-public, confidential information that should not be disclosed to a competitor or any third party.

**HEALTH, SAFETY AND THE ENVIRONMENT**

**THE POLICY**

Each employee must comply with all environmental, health and safety laws and regulations which are affected by the performance of his or her duties.

**WHY?**

The Company strives to be a leader in environmental stewardship in every location in which it operates and to maintain a safe work place for every employee.
HOW DOES THE POLICY WORK?

The policy requires strict compliance by every employee with all Company policies, laws and regulations which affect the environment or the health and safety of the Company's employees.

QUESTIONS TO ASK YOURSELF

- Does any aspect of my job affect the environment or the health or safety of my co-workers?

  If so, you must know and comply with all applicable laws and regulations. Ignorance of particular laws is no excuse for noncompliance.

SAMPLE SITUATIONS

- An employee knows that the water discharges from his plant are in excess of permit standards from time to time. Should he report this to the Compliance Officer?

  So long as such exceedences are reported and addressed as required by the permit and the law, you need not report it as a violation of the Program.

- I am aware that we are operating in excess of the hours allowed by our air permit, but no one is hurt by this technical violation. Should I worry?

  Yes, environmental, safety and health laws often impose restraints and recordkeeping requirements intended to protect employees and the communities in which we operate. We must observe these laws.

INTERNATIONAL BUSINESS

INTRODUCTION

This International Business Policy applies to all of the Company’s domestic and foreign operations, including operations conducted by any departments, subsidiaries, affiliates, agents, consultants, or other representatives.

WHY?

The Company strives to maintain high standards of ethical conduct and integrity in all aspects of its business and in all areas of the world in which it or its subsidiaries and affiliated companies operate. The purpose of this International Business Policy is to reiterate that commitment, and to explain the specific requirements and prohibitions of the laws that apply to this commitment, no matter where in the world the Company operates or does business.

THE POLICY

I. Questionable and Illegal Payments in Foreign Countries. The Foreign Corrupt Practices Act (“FCPA”) prohibits the bribery of “foreign officials” and also requires companies to maintain internal accounting controls and keep books and records that accurately reflect all transactions. In accordance with the FCPA and other potentially applicable statutes, the Company's funds or assets shall not be used for any unlawful or unethical purpose in any foreign country. This means, for example, that no employee of the Company shall, directly or indirectly, including by or through any agent or other representative of the Company, give, offer or promise any money or other thing of value to a foreign government official or employee, with the "intent" to (1) influence any act or decision of such official or employee in his official capacity, or (2) induce such official or employee to use his influence with his government to affect or influence any act or decision of such government, in order to assist the Company in obtaining or retaining business, or in directing business to any person (hereinafter referred to as the "unlawful intent").

For purposes of this Policy, the term "foreign government official or employee" is defined broadly, and shall mean any officer or employee of a foreign government or a public international organization, or any department, agency, instrumentality or wholly owned corporation thereof, or any person acting in an official capacity for or on behalf of such government or organization or any department, agency, instrumentality or wholly owned corporation thereof, or any foreign political party or officer thereof, or any candidate for foreign political office. The term “foreign government official or employee” includes not only elected officials, but
also consultants who hold government positions, employees of companies owned in whole or in part by foreign governments, and officials of public international organizations, among others.

In addition, no employee of the Company shall, directly or indirectly, including by or through any agent or other representative of the Company, give, offer or promise money or other thing of value to any person, while knowing or having reason to know that all or a portion of such money or thing of value is to be given, offered or promised, directly or indirectly, to any foreign government official or employee with unlawful intent. The FCPA has been interpreted broadly, and the process of determining whether one acted “having reason to know” that his or her actions were improper under the statute involves consideration of a number of factors and presents substantial risk to those who seek to avoid gathering additional information when certain “red flags” are present.

None of the above practices is to be engaged in, whether or not prevalent or legal in the foreign country involved.

It is also the policy of the Company that none of the Company's funds or assets shall be used to give or to provide any gifts, gratuities, favors or entertainment, directly or indirectly, to any foreign government official or employee unless such gift, gratuity, favor or entertainment (1) is lawful under local law; (2) is of nominal value and is a mere token of courtesy; (3) is of the sort which is customarily given in the country in question; and (4) is not being given to the government official or employee with unlawful intent.

The International Business Policy imposes an obligation on all employees, directors, officers and agents of the Company to make an immediate report of any suspected or actual violations (whether or not based on personal knowledge) of applicable law or regulations. This report may be made to the Compliance Officer, the Helpline, or the Audit Committee. Once an employee has made a report, the employee still has an obligation to update the report as new information comes into his/her possession. Under no circumstances shall the reporting of any such information or possible impropriety serve as a basis for any retaliatory actions to be taken against any employee making the report.

II. Facilitating Payments. Notwithstanding the foregoing statement regarding questionable and illegal payments, so-called "facilitating payments" may be made abroad (i.e., not in the United States) under the circumstances discussed below. For purposes of this Policy, the term "facilitating payment" shall mean a small payment to a low-level foreign government employee, whose duties are predominantly and essentially nondiscretionary or clerical, with the intent that such employee facilitate or expedite his performance of a duty which must, of necessity, be performed in any event (including, absent unusual circumstances, but not limited to, the issuing of normal customs clearances, visas or work permits).

It is the general policy of the Company to discourage the use of facilitating payments whenever possible, even if a proposed payment comports with the foregoing definition. The Company's management recognizes, however, that there may be certain isolated cases where, in foreign countries in which such payments are customary practice, facilitating payments may be necessary. As such, should an employee of the Company anticipate the necessity of making such a payment in order for the Company to avoid incurring unnecessary delays or losses, such employee shall advise the Compliance Officer both of the need to make such payment and of the following facts:

1. the government employee to whom the prospective payment would be made and the precise nature of his official duties;
2. the circumstances which give rise to the need for such payment;
3. the circumstances upon which the employee is relying in reaching the conclusion that the payment to the low-level government employee is not merely a sham for a payment which is, in reality, intended to be passed through to a higher level government official or employee;
4. the amount of the prospective payment;
5. the legality of such payments in the foreign country involved;
6. the prevalence and customary use of facilitating payments in the foreign country involved; and
7. the extent to which the employee has exhausted all other reasonable means of attempting to have the foreign government employee perform his required duties.
The Company’s policy is to only make facilitating payments when it is lawful to do so under local law. Upon receipt of the information listed above, the Compliance Officer shall determine, with the assistance of local experts, whether or not the making of such payment would be consistent with the foregoing definition, local law, and the best interests of the Company. In those instances where the health or safety of an individual is threatened, facilitating payments may be made without the prior approval of the Compliance Officer. As soon as reasonably practicable after such a payment, however, the information listed above shall be provided to the Compliance Officer. Whether or not prior approval to make the facilitating payment was sought or obtained, any such payment shall be accurately reflected on the books and records of the Company.

III. Forced Violations of the Business Conduct Policy of the Company. The Company recognizes that because of certain local customs, demands for questionable or illegal payments will on occasion be exerted upon the Company. Whenever local management is confronted with any demand for a payment or other action by the Company which would violate or might reasonably be interpreted as violating this Policy, the following procedure is to be followed:

A. Local management should immediately notify the Compliance Officer. If time is of the essence, the first communication should be by telephone and followed up promptly with a written report.

B. The communication should set forth all of the relevant facts as well as a statement regarding whether advice of local counsel has been obtained concerning the legality of the action in question. As appropriate, it should also set forth local management's recommendations as to the best manner in which to reject the demand or eliminate the apparent necessity of making the payment or of taking the action and the best manner in which to minimize any possible serious adverse consequences from rejecting or eliminating the demand.

C. If it is determined that the making of such payment or the taking of such action would not violate United States law, the Compliance Officer may then authorize the payment or action. No employee of the Company shall make such payment or take such action without the prior written consent of the Compliance Officer.

In this regard, it will be the policy of the Company for the Compliance Officer not to authorize such payments or actions where the demand is in connection with the obtaining of business by the Company. Where, on the other hand, the demand is related to the retaining of business by the Company, it will be the policy of the Company for the Compliance Officer to consider authorizing such payment or action if the demand involves a threat to life or property. If, however, the demand involves a threat of economic harm to the Company (connected with the retaining of business), authorization of payment or action will be considered only in the most unusual situations.

IV. Marketing Arrangements Utilizing Agents, Sales Representatives or Consultants.

A. Contractual Arrangements. No agent, sales representative or consultant in the United States or abroad shall perform any services on behalf of the Company except pursuant to a written contract which sets forth the duties, responsibilities or services to be performed or assumed by such person, as well as a complete statement as to the compensation to be paid. Prior to executing any agreement with any agent, sales representative or consultant, the Company’s due diligence procedures must be followed, and the results documented and maintained by the Compliance Officer. Any such contract entered into with an agent, sales representative or consultant shall constitute the entire understanding between the parties. In addition, each such contract shall contain a clause whereby the agent, sales representative or consultant covenants not to make any of the questionable or illegal payments described herein, and, where possible, it shall contain additional clauses which:

1. give the Company the right to disclose the agent's, sales representative's or consultant's identity and compensation to actual or potential customers and to interested government officials both in the United States and in countries covered by the contract;

2. render the contract voidable by the Company if the agent, sales representative or consultant breaches the covenant not to make any questionable or illegal payment;

3. provide that the Company has no further obligation to pay the agent, sales representative or consultant if he breaches his covenant not to make a questionable or illegal payment and shall have the right to terminate the agreement with the agent, sales representative or consultant and recover any amounts paid to the agent, sales representative or consultant while in breach of the covenant;

4. authorize the Company to review or provide for the review of the agent's, sales representative's or consultant's books;
5. require the agent, sales representative or consultant to cooperate with the Company in its investigation of any alleged breach;

6. provide that the Company has a right of action against the agent, sales representative or consultant to the extent of the amount of the funds paid by him in breach of his covenant not to make a questionable or illegal payment;

7. require the agent, sales representative, or consultant to certify, in writing, that:
   a. no payments have been made, offered or promised by the agent, sales representative or consultant in the past to improperly influence any foreign government official;
   b. no accusations involving fraud or corruption have been made against the agent, sales representative, or consultant;
   c. no foreign official has any interest in the agent’s, sales representative’s, or consultant’s business;
   d. the agent, sales representative or consultant has read and understands the Company’s International Business Policy;
   e. the agreement is lawful in the country where the agent, sales representative or consultant is to perform services for the Company;
   f. there will be no change in ownership of the agent’s, sales representative’s or consultant’s company – including any transfer of ownership to a foreign government official – without prior notice and approval;
   g. the agent, sales representative or consultant will not subcontract any portion of the duties to be performed or assign any of the rights provided for without prior written notice and approval; and
   h. the agent, sales representative or consultant has sufficient resources, including adequacy of personnel and support staff, as well as the necessary technical and professional expertise, to perform the contracted services.

8. requires the agent, sales representative or consultant to provide warranties that he or she will:
   a. maintain adequate controls over reimbursable expenses;
   b. require employees and agents to certify compliance with the FCPA and other anti-corruption statutes;
   c. immediately advise the Company if becomes aware that previously provided certifications of compliance are no longer accurate or complete; and
   d. indemnify the Company for any costs, including legal fees and investigative expenses, incurred as a result of a breach of any covenant.

The Compliance Officer shall be notified, in writing, prior to the execution of any agreement with any agent, sales representative or consultant for services to be provided in any foreign country.

B. Commission Payments and Consultant Fees. For purposes of this Policy, a commission payment or consultant fee refers to an amount paid or payable to an agent, sales representative, consultant or other representative who solicits business or performs other services on behalf of the Company.

Payments and commission fees to commercial agents, sales representatives and consultants abroad have been deemed to be "questionable" where they are unreasonably large. The size of the payment is also a factor in determining whether or not such payment must be disclosed in reports required to be filed with the Securities and Exchange Commission. Accordingly, designated responsible employees of the Company shall seek to make all such payments and fees "reasonable" by taking into account the fact that such payments and fees tend to become increasingly more reasonable

1. the greater the extent of the agent's, sales representative's or consultant's obligations;

2. the greater the extent of the risk to the agent, sales representative or consultant, such as where the payment of his fee is contingent upon his securing a certain contract or sale;

3. the greater the extent of the expenses borne by the agent, sales representative or consultant; and

4. the closer in amount such payments and fees are to those paid by other firms in the industry for similar services and under similar circumstances.

Such payments and commission fees could also be deemed to be "questionable" when made to an agent, sales representative or consultant who has a "bad" reputation, i.e., he is known to have made corrupt payments in the past or is known to take the position that corrupt practices are an acceptable way of doing business in the community. In addition, such payments and commission fees may be deemed “questionable” when the agent, sales representative or consultant requests payment in cash or bearer instruments, before services are rendered, through third parties, or through bank accounts maintained in a different country than where the
services were provided. Potentially “questionable” payments also include those made with little or no description of services rendered. Accordingly, prior to entering into an agreement with a proposed agent, sales representative or consultant, the designated responsible employee of the Company shall seek to secure information concerning the reputation of such agent, sales representative or consultant; and, moreover, the designated responsible employee shall provide the Compliance Officer with the name, address and business connections of the proposed agent, sales representative or consultant, together with the information which the designated responsible employee has secured regarding reputation, in order to afford the Compliance Officer the opportunity to determine, through the Company’s own resources, further information as to reputation.

Notwithstanding the foregoing, any agreement with an agent, sales representative or consultant which calls for a payment in excess of $100,000 or a fee or commission in excess of 5% of the selling price to the customer should be reviewed and approved in advance of the execution of any such agreement by the Compliance Officer.

C. General Policy. Only agents, sales representatives and consultants who render legitimate services to the Company shall be paid by or on behalf of the Company.

No employee of the Company shall, under any circumstances, entertain any discussion with an actual or prospective agent, sales representative or consultant with respect to the securing of business through improper means, such as by commercial or political bribery.

No payment should be made to an agent, sales representative or consultant that is contrary to the laws or to the procurement regulations of the country in which the service is rendered or in which the transaction is consummated.

All commission payments or fees should be paid via check or bank transfer to the business entity performing the services at his or its place of business within the country in which the services are performed. Payments in cash or bearer instruments are prohibited. Any exceptions to this rule may be made only if authorized in writing by the Chief Executive Officer of the Company (or by his designee), and only if a request for an exception meets the following criteria:

1. Any request for payment into a numbered, unnamed account should be honored only if accompanied by a written representation that the account is for the exclusive benefit of the agent, sales representative or consultant or, if to a third person, only if accompanied by a written statement as to that person's identity and his connection with the transaction (e.g., supplier). The Company should not be a party to a payment where the identity of the recipient or his role in the transaction is suspect.

2. No payment should be made outside the country in which the transaction was consummated unless such person to whom payment is due represents in writing that the payment, thus made, would not violate applicable law.

V. Commercial Bribery.

A. Kickbacks. The Company's funds or assets shall not be used for any unlawful or unethical purpose in order to obtain or to retain business either in the United States or abroad. For example, this means that no employee of the Company shall, directly or indirectly, including by or through a kickback or other payoff scheme, seek to obtain or to retain business for the Company by giving, offering or providing money or other thing of value to or for the benefit of any director, officer, employee, agent or representative of any customer or supplier, or any potential customer or supplier, of the Company.

This also means, for example, that the Company shall not participate in any "overbilling practice" - a device utilized by distributors and other such persons who might purchase goods from the Company for their own account for resale on the open market. An "overbilling" occurs when a distributor requests that the Company invoice him in an amount in excess of the Company's distributor price and that the excess amount be rebated to him according to his direction (typically to a foreign bank account). Such requests generally originate from distributors in countries which have strict price control or currency restrictions, but may also be used by a distributor as a device for minimizing tax liability. A less obvious request by the distributor might involve a scheme whereby a paper corporation is established to receive the rebate. While not all instances involving multiple tier corporations fit within this category, employees of the Company should closely examine each case to determine whether or not the corporate device is merely a sham to accomplish the same purpose as an overbilling.

While the Company's role is not and should not be to police the conscience or practices of its distributors, neither should the Company engage in practices which result in misleading or falsified consular invoices or other import documents. The lack of a legitimate business purpose for overbilling and the risk that the Company could be considered in complicity with the distributor dictate against the Company's participation in any such practice.
B. Gifts. It is the policy of the Company that no employee shall make or give any gift by or on behalf of himself or the Company to a potential or actual customer, supplier, distributor or anyone else having a commercial relationship with the Company, unless such gift (1) is lawful under local law; (2) is of nominal value and is a mere token of courtesy; (3) is of the sort that is customarily given in the country in question; and (4) is not being given with unlawful intent.

The Company's policy regarding gifts to foreign government officials and employees is discussed in Section I of the Company’s International Business Policy.

VI. Relationships of the Company's Employees with Customers and Suppliers. Dealings with customers and suppliers can also be a sensitive matter involving issues of law and ethics. To avoid any problems in this regard, the following principles should be adhered to by employees of the Company:

A. All customers and suppliers of the Company and all potential customers and suppliers of the Company shall be treated honestly and fairly.

B. Sales and purchases by the Company shall be based on price, product quality and service, including the consistency and dependability of basic customer/supplier relationships. Prime consideration should also be given to the Company's interest in developing and enhancing long-term mutually productive relationships with customers and suppliers.

C. No employee of the Company or any member of the employee's immediate family shall accept any money, gifts or entertainment of other than nominal value, loans or any other preferential treatment from any customer or supplier or potential customer or supplier of the Company.

D. Employees of the Company shall respect the confidentiality of any competitive information (specifically given to them in confidence) by customers and suppliers or potential customers and suppliers of the Company.

VII. Accounting Practices. All assets, liabilities, revenues and expenses shall be properly recorded in the regular books and records of each entity comprising the Company and, where appropriate, in the consolidated books and records of the Company. No false or intentionally improper, misleading or artificial entries shall be made in any of the books and records of the Company, and no employee shall engage in any arrangement that results in such prohibited act. A false, improper, misleading or artificial accounting entry is one that does not accurately describe the underlying transaction or is not posted to the proper account. False, improper, misleading or artificial accounting entries are prohibited by this Policy, whether made to conceal or to disguise any questionable or illegal payment, as described above, or for any other purpose. Designated responsible employees of the Company shall periodically compare the actual assets of the Company with the records of such assets and, if there is a discrepancy, shall determine the reasons for such discrepancy and shall report all pertinent facts to local Company management who shall then take the requisite corrective action.

All payments and transactions shall be supported by appropriate documents properly describing the purpose of such payment or transaction, in order that the Company can produce complete, accurate financial statements.

No undisclosed, unrecorded or unauthorized fund, bank account, or assets of the Company may be established or maintained for any purpose; and no secret or special books and records may be maintained for any unlawful purpose, including the evading of taxes or currency control regulations. Moreover, the Company must have, and utilize, a system of internal accounting controls which provides reasonable assurances that there will be no unauthorized payments or transactions and no unauthorized access to the Company's assets.

In accordance with these requirements, any perceived failure of the Company’s books and records to meet the FCPA’s requirements shall be reported to the Compliance Officer, the Helpline, or the Audit Committee in order to determine whether a possible violation has occurred and, if so, the appropriate action required.

Complete and accurate information shall be given by employees of the Company in response to inquiries from the Company's internal auditors and certified public accountants and from the Company's General Counsel. Any information so provided, other than statements certifying compliance with these policies, should be promptly reported to the Compliance Officer.

VIII. Certification Obligations.

Each employee, agent, sales representative or consultant with substantive responsibilities that relate to overseas operations will be required to complete and sign, on a regular basis, a certification that (1) confirms that the individual fully understands the International Business Policy and fully acknowledges his/her commitment to comply with the International Business Policy; (2)
sets forth the individual’s awareness of any and all potential violations of the International Business Policy or certifies that the individual is not aware of any such violations; and (3) confirms that in the event the individual becomes aware of any potential violation of the International Business Policy, he/she will report that information immediately to the Compliance Officer, the Helpline, or the Audit Committee.

IX. Reporting. You shall immediately notify the Compliance Officer (by electronic mail, facsimile or written memorandum) of any actual violation, or any violation of this Policy which is reasonably likely to occur, about which you have knowledge, stating fully the facts and circumstances surrounding the matter. Further, report immediately to the Compliance Officer any extortive solicitation, demand or other request for anything of value, by or on behalf of any government official or employee, domestic or foreign, which solicitation, demand or request occurs in the course of employment. Directors should immediately report any concerns to the Compliance Officer or the Board.

IMPORTANT CONTACTS

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