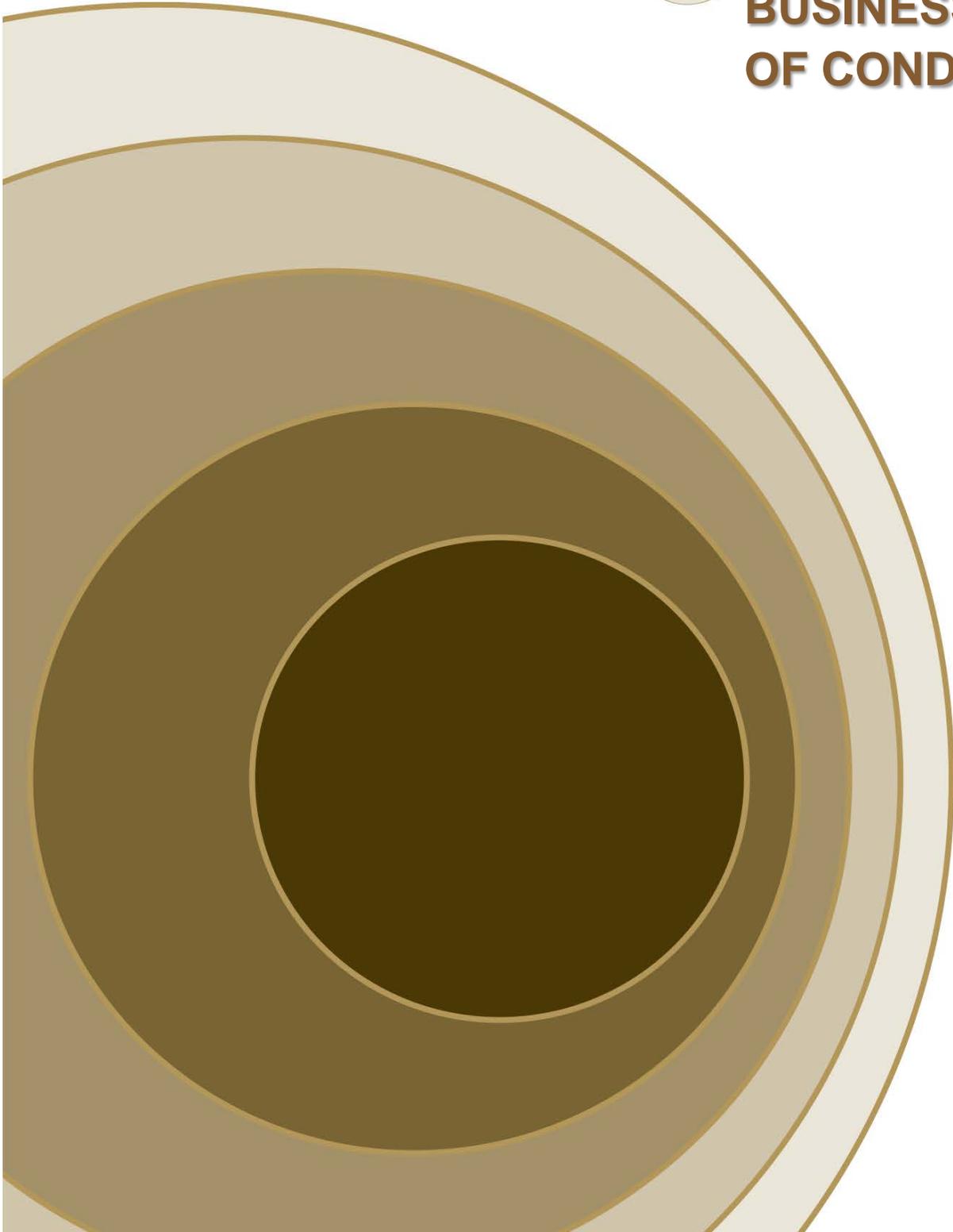




BUCKEYE PARTNERS, L.P.

BUSINESS CODE OF CONDUCT



MESSAGE FROM THE CEO

For more than a century, Buckeye people have created an asset of incalculable value – the Company’s reputation for integrity and high standards of business conduct. That reputation, built by many people over many years, rides on each business transaction we make.

Integrity is the rock upon which we build our business success—our quality service, our forthright relations with customers, and, ultimately, our winning competitive record. Buckeye’s quest for business excellence begins and ends with our commitment to ethical conduct.

I ask each member of the Buckeye community to make a personal commitment to follow our Business Code of Conduct.

Guiding us in upholding our ethical commitment is a set of Buckeye integrity policies on key issues. These key integrity policy statements are set forth in this booklet to give them emphasis and to separate them from administrative policies and procedures.

The Board has designated Patrick Monaghan to be the compliance officer (the “Compliance Officer”) responsible for the implementation and administration of this Business Code of Conduct. If you have questions regarding what is proper conduct for you or anyone else, you should feel free to contact the Compliance Officer by telephone at (832) 325-1644 or by email at pmonaghan@Buckeye.com. You may also address your concerns anonymously through the Compliance Hotline at (877) 774-9673 for calls originating from the Continental U.S. or Puerto Rico or (800) 501-6379 for calls originating from The Bahamas or through the compliance website at buckeye.compliance-hotline.com (the “Compliance Hotline”), or through one of the other channels the Company makes available to you.

Nothing—not customer service, direct orders from a superior, or “making the numbers”—is more important than integrity. Employees who report violations or suspected violations in good faith will not be subject to retaliation of any kind.

Supervisors and other members of management have the additional responsibility to make compliance with these policies a vital part of our business activities. Adherence to Buckeye policy and applicable laws must be the foundation of our business. Concerns about appropriate conduct must be addressed promptly with care and respect.

We are all privileged to work for one of the best companies in our industry. We must, every day in every way, preserve and strengthen for those who will follow us what has been Buckeye’s foundation for success for more than 100 years—the commitment to total, unyielding integrity.



Clark C. Smith
President and
Chief Executive Officer

OUR PRINCIPLES OF INTEGRITY

- **Obey the applicable laws and regulations governing our business conduct.**
- **Be honest, fair, and trustworthy in all your Buckeye activities and relationships.**
- **Keep confidential all information entrusted to you by Buckeye or our customers.**
- **Foster an atmosphere in which equal opportunity extends to every member of the Buckeye community.**
- **Protect the environment and create a safe workplace.**
- **Avoid all conflicts of interest between work and personal affairs.**
- **Through leadership at all levels, sustain a culture where ethical conduct is recognized, valued, and exemplified by all employees.**

THE GROUND RULES

This Business Code of Conduct (“Code”) of Buckeye Partners, L.P. (“Buckeye” or “Company”) is supplemental to the administrative policies contained in the Human Resources Policy Manual. In addition, information on the subjects covered by these policies can be found in other Company publications, such as (i) Buckeye’s Anti-Corruption Compliance, Operation & Maintenance, Safety, Training, Environmental, and Integrity Management Manuals, (ii) the Buckeye Pipeline System Oil Spill Response Plan, and (iii) Buckeye’s Code of Ethics for Directors, Executive Officers and Senior Financial Employees. Any waivers or exceptions to this Code for directors and executive officers may be made only by the Board of Directors (or an appropriate subcommittee) in writing. Any other waivers must be approved according to our Company policies. If no policy specifies such a waiver or exception, then it must be granted by the Compliance Officer.

Who must follow the Code?

Buckeye integrity policies apply to all employees of Buckeye and its affiliated entities. In addition, we require our vendors and persons representing or working for the Company to comply with appropriate sections of this Code.

Responsibilities of all employees

- Use common sense. Your conduct will be judged in hindsight. If you would not be comfortable having your conduct described on the front page of every newspaper in the country, then DON’T DO IT.
- Learn the details of policies dealing with your work. No one expects you to know all policies word for word. But you should have a basic understanding of issues covered by each policy. You should also have a more detailed understanding of policies that apply most directly to your job.
- Seek assistance. This can come from your Supervisor/Manager, the Compliance Officer, or other Buckeye resources when you have questions about applications or interpretations of the integrity policies.
- Promptly report:
 - Any concerns about possible illegal or unethical behavior, including any violations of this Business Code of Conduct; or
 - Any concerns about a possible request or suggestion to violate a Buckeye policy or any applicable law or regulation.

You must report your concerns to at least one of the following; if you report a policy concern and the issue is not resolved, address it with one of the other methods:

- (i) a Buckeye Supervisor or Manager;
- (ii) the head of the functional area most concerned with the policy, such as Human Resources
- (iii) the Compliance Officer; or
- (iv) the Compliance Hotline;

- Confidentiality. Any report you make related to a possible violation of Buckeye policy, applicable law, regulation, or standard shall be kept confidential, except to the extent information is used to confirm and, if necessary, take action with respect to the issue raised. Reports may be written or oral and may be anonymous should you so choose.
- Cooperation. Cooperate with Buckeye investigations of possible violations of laws or regulations or a Buckeye policy.
- No Retaliation. No person who reports or supplies information in good faith about a policy concern will face retribution of any sort. Any such retaliation is strictly prohibited.

Leadership responsibilities

Supervisors, Managers, Officers, and Directors (hereinafter sometimes collectively referred to as “Managers”) must:

- Lead by example, using their own behavior as a model for all employees;
- Create a culture that promotes compliance, encourages employees to raise their policy questions and concerns, and prohibits retribution;
- Make sure employees understand that performance is never more important than compliance;
- Promptly report employee concerns of possible policy violations according to the reporting procedures;
- Take prompt remedial action when required;
- Gather feedback to evaluate and continually improve policy compliance; and
- In evaluating and rewarding employees, consider their actions and judgments in promoting and complying with Buckeye integrity policies.

Penalties for violation

Following Buckeye integrity policies is a must. Employees who violate these integrity policies will be subject to disciplinary action up to and including termination. The following are examples of conduct that may result in discipline:

- Actions that violate a Buckeye policy or applicable laws or regulations;
- Requesting others to violate a policy or applicable laws or regulations;
- Failure to cooperate in Buckeye investigations of possible violations; and
- Retaliation against another employee for reporting a policy concern.

In the case of many Buckeye policies, a violation of the policy may also constitute a violation of law. The violator and the Company could be subject to criminal penalties (fines or jail sentences) or civil sanctions (damage awards or fines).

Questions or Concerns?

Remember – integrity is everyone’s responsibility. If you have a question or concern, contact:

Your Supervisor

The Human Resources or Legal Departments

The Compliance Officer (832) 325-1644

The Compliance Hotline (877) 774-9673 for calls originating from the Continental U.S. or Puerto Rico, (800) 501-6379 for calls originating from The Bahamas, or buckeye.compliance-hotline.com

Integrity....every day

.....everywhere

OPERATIONAL INTEGRITY – WE WILL CONDUCT OUR OPERATIONS WITH INTEGRITY

ENVIRONMENT, HEALTH AND SAFETY

Buckeye is committed to achieving environmental, health, and safety excellence. This is the responsibility of management and employees in all functions. Buckeye will strive to avoid adverse impact and injury to the environment, and to provide a safe and healthy workplace. Our programs must combine clear leadership by management, the participation of all employees, and the use of appropriate technology in the Company's products and services and in the maintenance of Company facilities.

We will:

- Comply with applicable environmental, health, and safety laws and regulations;
- Take appropriate measures to prevent workplace injuries and illness, and to provide employees with a safe and healthy work environment;
- Provide the resources necessary to develop and maintain effective and specific environmental, health, and safety policies and procedures;
- Train and educate employees regarding the Company's environmental, health, and safety policies, relevant laws and regulations, and employee's individual responsibilities and duties; and
- Prepare contingency plans and otherwise be in a position to respond to any release of products or other substances from Company facilities in order to minimize environmental damage.

REGULATORY COMPLIANCE

Our operations are regulated by numerous U.S. Federal and state Agencies. Our pipeline transportation and terminal storage activities are regulated by the Federal Energy Regulatory Commission, the Department of Transportation Pipeline and Hazardous Materials Safety Administration, the Environmental Protection Agency, and the Railroad Commission of Texas. Our commercial activities are regulated by the Federal Trade Commission, the Commodity Futures Trading Commission, and the Federal Energy Regulatory Commission. Our gas storage operations are governed by the California Public Utilities Commission. We also are governed by other federal, state and local regulatory bodies.

We will comply with all applicable regulations. In particular:

- We will not engage in, aid or abet, or attempt any fraudulent or deceitful conduct in order to manipulate our markets;
- We will not provide false or misleading information, or withhold information that makes a statement misleading, to the authorities or to the markets in which we operate; and
- We will not knowingly disclose to another person information about the nature, kind, quantity, destination, shipper, or routing of property tendered to the Company for transportation if (i) such information could be used to the detriment of the shipper or (ii) such information would improperly disclose the shipper's business transactions to a competitor of the shipper. Accordingly, shipper information shall not be used by any employee except in the course of the Company's transportation business and shall not be disclosed to persons outside of the Company or to marketing personnel within the Company's petroleum marketing business. Employees are expected to take appropriate precautions to safeguard shipper information under their control.

ANTI-TRUST AND COMPETITION

We will conduct our operations in accordance with all applicable anti-trust, competition, and trade practice laws. These laws, among other things, prohibit agreements or understandings between competitors that may restrict competition (such as agreements on prices, reimbursables from customers, markets or customer agreements, monopolization, certain mergers and acquisitions, price discrimination, bid fixing, etc.).

PEOPLE AND ASSET INTEGRITY – WE WILL TREAT OUR PEOPLE AND COMPANY ASSETS WITH INTEGRITY

EQUAL EMPLOYMENT OPPORTUNITY/WORKPLACE HARRASSMENT

Buckeye is committed to equal employment opportunity. By continuing to extend equal opportunity and provide fair treatment to all employees on the basis of merit, we will improve Buckeye's success while enhancing the progress and professional development of our employees. Buckeye will not tolerate discrimination on the basis of race, color, religion, national origin, sex, sexual orientation, age, disability, veteran status, or other characteristic protected by law.

We will:

- Use merit, qualifications, and other job-related criteria as the sole basis for employment-related decisions;
- Recruit, hire, train, compensate, promote, and provide other conditions of employment without regard to a person's race, color, religion, national origin, sex, sexual orientation, age, disability, veteran status, or other characteristic protected by law; and
- Provide a work environment free of harassment based on diverse human characteristics and cultural backgrounds.

Sexual harassment is prohibited.

Sexual harassment includes unwelcome sexual advances or requests for sexual favors where submission or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual. Hostile environment harassment includes unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature where such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

CONFIDENTIAL INFORMATION, CONFLICTS OF INTEREST, AND OTHER MATTERS

It is essential that all assets of the Company, including confidential and proprietary information, be safeguarded and not disclosed to third parties. In addition, while Buckeye recognizes and respects the right of employees to take part in financial, business, and other activities outside their job, employees must avoid potential conflicts between those activities and Company business. We will:

- Be careful with Company information. Information relating to past, present, or future activities of the Company or any of its customers that has not been publicly disclosed, or information designated by management as confidential, shall not be used by the employee except in the course of his or her employment with the Company and shall not be disclosed to persons outside of the Company. This includes information related to possible acquisitions, divestitures, and other transactions involving the Company. Employees are expected to take appropriate precautions to safeguard confidential and proprietary information of the Company under their control. The Company also may have certain intellectual property such as trade secrets. We will make every effort to protect such Company property.
- Obey the rules regarding Initial Public Offerings ("IPO"). Before an employee may accept an offer from a concern that does, or is seeking to do, business with or is a competitor of the Company, to participate in an initial public offering ("IPO") of stock or other equity investment on terms and conditions that are different from those offered to the public at large, the employee must obtain the consent of the Compliance Officer. This provision also applies in the event an employee is offered "friends and family stock," or is otherwise offered the opportunity to participate in an IPO in circumstances where the amount of equity available to be purchased at the IPO price is limited.
- Avoid conflicts of interest. Employees should avoid actions or relationships that might conflict, or appear to conflict, with your job responsibilities or the interests of Buckeye. Conflicts of interest may include, without limitation, employees, officers, or directors personally taking for themselves opportunities that are discovered through the use of Buckeye property, information, or position, or using Buckeye property, information, or position for personal gain, or competing with Buckeye. We also may have conflicts if the Company is doing business with family members or friends of an employee. Any potential conflict of interest must be reported to the Compliance Officer immediately.
- Not make loans to employees. Buckeye will not make loans or extend credit guarantees to or for the personal benefit of officers except as permitted by law and the listing standards of any exchange or quotation system on which Buckeye securities are listed. Loans or guarantees may be extended to other employees only with the approval of the Audit Committee of the Board of Directors.
- Properly use Company assets. Buckeye assets, including facilities, materials, supplies, time, information, intellectual property, technology, software, and other assets owned or leased by Buckeye, or that are otherwise in Buckeye's possession, may be used only for legitimate business purposes. The personal use of Buckeye assets without Buckeye's approval is prohibited. Under no circumstances should

you use the Company's computer or network systems to communicate or view inappropriate, sexually explicit, or offensive statements or materials. In addition, you may not use these systems to access illegal material or conduct business for another organization.

- Not take personal advantage of Company opportunities. Employees are prohibited from (a) taking for themselves opportunities that are properly within the scope of the Buckeye's activities; (b) using Buckeye property, information, or position for personal gain; and (c) competing with Buckeye. Employees owe a duty to Buckeye to advance its legitimate interests to the best of their abilities.

- Use caution in providing entertainment to the Company's customers and suppliers. We sometimes entertain our customers and suppliers in order to build or strengthen good working relationships. However, good judgment, discretion, and moderation should always be our guide in these situations. Entertainment should never be used if it would make us appear biased or if we are attempting to influence a business decision. Entertainment must fit all of the following criteria: (a) it is incidental to a legitimate business discussion; (b) it is in a setting appropriate for a business discussion; (c) it is a reasonable cost; (d) it was not solicited by the customer or supplier; and (e) it is properly recorded in the Company's books and records. Any questions concerning gifts or entertainment should be directed to the Compliance Officer.

- Use caution in giving gifts to the Company's customers and suppliers. The same good judgment, discretion, and moderation also should guide gift giving. A gift only may be given if it meets the following criteria: (a) it is of modest value; (b) it will not be viewed as a bribe or payoff; (c) it is consistent with generally accepted business practices and ethical standards; (d) public disclosure would not embarrass the Company; (e) it is not cash or cash equivalent (i.e., gift certificates, vouchers, etc.); and (f) it is properly recorded in the Company's books and records. Any questions concerning gifts or entertainment should be directed to the Compliance Officer.

NOTE OF ADDITIONAL CAUTION: The giving of gifts or entertainment to Foreign Officials, including employees of government owned or controlled entities, is subject to the Company's Anti-Corruption Guidelines, which must always be consulted and are attached to this Code as [Annex A](#). For additional anti-corruption procedures, consult Buckeye's Anti-Corruption Compliance Manual.

- Use caution in accepting entertainment from the Company's customers and suppliers. The acceptance of entertainment from a business associate of the Company may put an employee in the position of having his or her independence questioned with regard to Company transactions. Accordingly, we need to be careful in accepting anything from business associates of the Company. Employees may only accept a meal or entertainment that (a) has a clear business purpose; (b) is held in a setting appropriate for business discussions; (c) is consistent with generally accepted business practices and ethical standards; (d) was not solicited or requested; and (e) is of a reasonable cost. Any questions concerning gifts or entertainment should be directed to the Compliance Officer.

- Use caution in accepting gifts from the Company's customers and suppliers. We also should only accept a gift under the following conditions: (a) it is limited in value (not more than U.S. \$100 or local equivalent without approval of the Compliance Officer), (b) it would not create a sense of obligation or the appearance of one, (c) it is not cash or a cash equivalent, and (d) it was not solicited or requested. Any questions concerning the propriety of gifts or entertainment should be directed to the Compliance Officer.

FINANCIAL INTEGRITY – WE WILL CONDUCT OUR FINANCIAL AFFAIRS WITH INTEGRITY

INTERNAL CONTROLS AND PUBLIC REPORTING POLICY STATEMENT

Buckeye is committed to maintaining adequate internal financial controls and to providing full and fair disclosure to the investing public of material information with respect to the Company's business and financial condition. In addition, as significant stakeholders in Buckeye, employees are entitled to raise issues to the extent they believe the Company's accounting policies and procedures, or public statements, violate applicable laws or regulations.

We will:

- Account appropriately for amounts received or expended on behalf of the Company, and avoid conflicts of interest between an employee's personal affairs and Company responsibilities;
- Raise concerns regarding the Company's accounting policies or public statements to the extent an employee believes such policies or statements are inaccurate or misleading in any material respect. Employees should contact the Compliance Officer, the Compliance Hotline, or any of the other individuals listed in this Code, to raise issues concerning accounting or public reporting matters;
- If necessary, raise issues or submit complaints concerning Company accounting policies or public reports directly with the Audit Committee of the Board of Directors. An employee can contact the Audit Committee by contacting the Compliance Officer, who will communicate the employee's concern to the Audit Committee. Alternatively, if the employee wishes to communicate directly with the Audit Committee, the Compliance Officer will arrange for this communication;
- Establish and maintain effective internal compliance programs to prevent and detect financial fraud or irregularities, and to maintain sound information systems and procedures to ensure accurate financial statements; and
- Establish policies and procedures designed to facilitate accurate and complete reports to be filed with the Securities and Exchange Commission ("The SEC") or otherwise distributed to the investing public.

INSIDER TRADING

It is imperative that all officers, directors, and employees of Buckeye and its affiliated entities comply with the requirements of the federal securities laws in connection with the purchase and sale of Buckeye securities.

■ No director, officer, or employee may (a) trade in (that is, buy or sell) Buckeye securities while he or she possesses material non-public or “inside” information concerning Buckeye; or (b) communicate such information to another person who may trade or advise others to trade on the basis of such information. Such acts are referred to as “insider trading.” “Buckeye securities” means all publicly traded limited partnership units of Buckeye.

■ Material Information – Inside information is considered material if a reasonable person would attach importance to it in determining whether to buy, sell, or hold Buckeye securities. Information about the following, for example, could be material:

- Quarterly or annual results
- Joint ventures, mergers, acquisitions, or divestitures
- Distributions
- Management changes
- Sales of additional securities
- Major litigation
- Significant labor disputes

■ Information Considered Public – Information that has been publicly disseminated such that investors have had the opportunity to evaluate it, or that has been filed with governmental agencies as a matter of public record, is considered public and is available to anyone upon request. Examples include widely-disseminated press releases, annual and quarterly earnings reports to unitholders, and filings with the SEC (e.g., Forms 10-K, 10-Q, and 8-K, registration statements, and prospectuses).

■ The laws and regulations governing the purchase and sale of Buckeye securities are complex. Should any employee have any questions concerning his or her rights and responsibilities in this regard, he or she should contact the Compliance Officer for advice before engaging in a transaction.

TRANSACTIONAL INTEGRITY – WE WILL CONDUCT OUR BUSINESS IN ALL PARTS OF THE WORLD WITH INTEGRITY

ANTI-BRIBERY/MONEY LAUNDERING/ANTI-TERRORISM

Buckeye seeks to obtain business based on the quality of its people and the quality of its assets. Bribes of any kind are strictly prohibited. This is especially important as Buckeye expands its operations to locations outside the U.S.

In accordance with the expansive scope of global anti-corruption laws, including, but not limited to, the Foreign Corrupt Practices Act (“FCPA”), Buckeye prohibits all bribes from being paid, offered, or attempted to be paid, regardless of whether the recipient is a foreign government official or a private individual (commercial bribery). Buckeye personnel also are prohibited from accepting or agreeing to accept improper benefits or bribes from anyone. The laws regarding bribery can be complex and there are many ways that bribery can occur. In addition, the laws of the countries where we do business can vary. As a result, Buckeye has developed detailed anti-corruption guidelines (“Anti-Corruption Guidelines”), which accompany this Code as [Annex A](#), as well as the Anti-Corruption Compliance Manual. The Company will periodically update these materials, and employees must be certain they are using the correct version.

The Anti-Corruption Guidelines describe prohibitions and/or required processes relating to specific areas of concern such as gifts, meals, and entertainment and so-called “facilitating payments.” The Guidelines further describe the expansive scope of who is a government official and what can constitute a bribe. By way of example, all persons working for any branch of the Bahamian government or political parties are considered government officials and we currently have a facility in the Bahamas. In addition, the employees of any state-controlled entity such as national oil companies like Petrobras (Brazil) and PDVSA (Venezuela) are considered government officials. Some of these entities are our customers or potential customers. The Anti-Corruption Guidelines further set forth the requirement that, prior to engaging any third party or intermediary to work for the Company who may interact with a government official, a due diligence process must be performed by the Compliance Officer and any contract must contain, among other things, strict anti-corruption and certification requirements.

All employees must know and follow the Anti-Corruption Guidelines and this policy at all times. Any potential violations will be deemed significant, and, as with all Code concerns, must be reported immediately.

EXPORT CONTROLS, TRADE RESTRICTIONS AND ANTI-BOYCOTT

Buckeye will abide by all control and trade restriction laws applicable to its business and equipment. Many countries, including the U.S., have laws that restrict, or otherwise require, licensing for the export of certain equipment, services, products, or information. Certain laws, such as U.S. embargo laws, restrict the ability of the Company to do business or attempt to do business in certain countries. For example, there are extensive prohibitions against doing business with Cuba. Other laws require the Company to check government lists for restricted parties around the world. These laws may be applicable to Buckeye and include the many laws, regulations, and requirements under the U.S. Office of Foreign Asset Control ("OFAC"). Prior to doing business with any entity based in a country outside of the U.S., the Compliance Officer must be consulted.

Buckeye must also be aware of and abide by applicable laws restricting the Company from participating in the boycott of certain countries by other countries. Anti-boycott laws require the Company to report any request to participate in the boycott of certain countries. Any such requests must be immediately reported to the Compliance Officer.

INTEGRITY EVERY DAY.....

.....EVERYWHERE



BUCKEYE PARTNERS, L.P.

One Greenway Plaza

Suite 600

Houston, Texas 77046

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ANNEX A**BUCKEYE PARTNERS, L.P.****ANTI-CORRUPTION GUIDELINES**

Our Policy. It is our policy that Buckeye Partners, L.P. and all of its operating companies, subsidiaries, and affiliates, including, for the purposes of this Policy, Buckeye Pipe Line Services Company (collectively, the “Company”); all Company officers, directors, and employees (collectively, “Personnel”); all agents, contractors, consultants, and other third parties representing the Company (collectively, “Agents”); and all joint venture partners and other business partners (collectively, “Partners”) shall comply fully with all applicable provisions of the United States Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”) and all other anti-corruption and/or anti-bribery legislation applicable to the Company (whether by virtue of its jurisdiction of incorporation or the conduct of its business operations). As stated in our Business Code of Conduct, this means that the Company prohibits bribes of any nature and requires that all of its transactions be accurately recorded.

Understanding the FCPA. The FCPA has two basic requirements:

1. *Anti-Bribery Provisions.* The Company’s Personnel, Agents, or Partners may not corruptly offer to, promise to, or provide cash or anything of value to any ***Foreign Official***, non-U.S. political party or party official, or candidate for non-U.S. political office in order to influence an act or decision that will assist the Company in obtaining or retaining business or in directing business to anyone else. A payment or offer is corrupt if it is made intentionally and voluntarily with the intention of causing conduct that is prohibited by the FCPA.

The term “***Foreign Official***” means any officer or employee of a non-U.S. government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government, department, agency, instrumentality, or public international organization. “***Foreign Official***” is defined broadly to include any officer or employee of any level of federal, state, provincial, county, and municipal government outside of the United States. It also includes all levels of employees and officials of any commercial enterprise owned, controlled, or operated by a government other than the United States, such as a national oil company. This would include several of the Company’s current and potential customers including PDVSA (Venezuela) and Petrobras (Brazil). The Bahamas is not part of the United States and any officer or employee of the government of the Bahamas at any level is considered a “***Foreign Official***.” Public international organizations include organizations such as the International Monetary Fund, the European Union, the World Bank, and other similar organizations. You need to contact the Compliance Officer if there is any question whether or not the entity or person with whom you are dealing is a Foreign Official.

2. *Record-Keeping and Accounting Provisions.* As a U.S. listed company, the Company is required to keep accurate books and records in reasonable detail and to maintain a reasonable system of internal controls.

Gifts, Travel, Lodging, and Entertainment Expenses. Some business people with general awareness of the FCPA mistakenly assume that the statute prohibits only “bribes” in the form of cash payments to any Foreign Official as defined above. The statute is much broader than that. For example, the FCPA prohibits improperly giving, authorizing, or offering the payment of **anything of value** to any Foreign Official (or non-U.S. political party, non-U.S. party official, or candidate for non-U.S. political office) to induce the recipient to misuse his or her office or secure an improper advantage in an effort to obtain or retain business. The restrictions of the

FCPA can extend to many forms of **gifts, entertainment, travel, lodging, and expenses** for the benefit of any Foreign Official (or non-U.S. political party, non-U.S. party official, or candidate for non-U.S. political office), as well as other benefits, such as offers of employment, educational placement, and charitable donations to an entity related to any Foreign Official (or non-U.S. political party, non-U.S. party official, or candidate for non-U.S. political office). By way of example but not an exhaustive list, bribes can involve any of the following: (a) cash or cash equivalents; (b) excessive gifts, meals, entertainment, or travel; (c) agreement to hire a friend or relative of a Foreign Official; (d) purchase of securities when not in that business; (e) cash loans or the loan of Company equipment or services for individual use; (f) granting of a scholarship as a favor to a Foreign Official; and (g) charitable or political donations in response to an individual's recommendation.

The Company's Business Code of Conduct prohibits bribes to Foreign Officials or other persons and regulates the giving of gifts or entertainment to customers, suppliers, or Foreign Officials. The Code sets forth various requirements for gifts and entertainment. In light of the heightened risk involving Foreign Officials, the Company has adopted the following additional guidelines for foreign officials:

Gifts:

- only gifts of nominal value (and typically with the Company's logo) costing less than USD \$50 may be given without prior approval of the Compliance Officer;
- no Foreign Official may be given gifts, regardless of value, more than two times in any 12 month period without prior approval of the Chief Compliance Officer; and
- gifts should be given openly and fit one of the following categories: (a) a traditional gift to commemorate a holiday or religious/cultural observance; or (b) a gift that is made as a courtesy or token of regard or esteem. Gifts of personal items, such as PDAs or iPods, are strictly prohibited.

Entertainment or Meals:

- must be incidental to Company business, the purpose of which must be documented in writing on the Business Expense Report;
- must take place in an appropriate setting to conduct Company business;
- cost must be reasonable (anything more than \$50 per person or \$500 in the aggregate per event must be reported to the Compliance Officer);
- must not be solicited by the Foreign Official;
- must not be cash or a cash equivalent;
- must be infrequent (anything more than four times per year or in any 12 month period, regardless of value, to be approved by the Compliance Officer);

- payment must be made to the vendors directly by Buckeye;
- must be only for the Foreign Official and not include family and/or friends of the Foreign Official unless approved by the Compliance Officer; and
- must be accurately recorded in the Company's books and records.

Travel, Lodging, and Special Events:

The payment by the Company of travel, lodging and/or Special Events for any Foreign Official requires the prior written approval by the Compliance Officer. Examples of legitimate travel might include travel to a Company facility for the purposes of demonstrating the Company's products or services. An example of a Special Event might include hosting a golf tournament or a hospitality suite at Carnival. Although the specific facts of the request need to be reviewed by the Compliance Officer in each case, you should be guided by the following:

- the Company should not dictate which Foreign Official is to attend;
- the Company may not pay expenses for a Foreign Official's family or friends;
- the Company will only pay for direct travel to and from the event;
- the Company will not pay for any side trips;
- any meals or entertainment for the Foreign Official will be covered by the guidelines listed above;
- the costs must be reasonable;
- the vendors should be paid directly by Buckeye; and
- "per diem" payments are strongly discouraged.

Third Parties and Knowledge/Due Diligence. The FCPA prohibits corrupt offers, promises, and payments of money or anything of value to Foreign Officials through third parties. Accordingly, the Company and its Personnel who are subject to the FCPA could be liable for indirect offers, promises of payments, or payments to any Foreign Official, non-U.S. political party or party official, or candidate for non-U.S. political office if such offers, promises, or payments are made through a third party, such as an Agent or Partner, with the knowledge that such Foreign Official, non-U.S. political party or party official, or candidate for non-U.S. political office will be the ultimate recipient. Knowledge includes conscious disregard and deliberate ignorance of facts that indicate a high probability that the relevant payment will occur.

In light of the Company's potential responsibility for the acts of the third parties that work with or for the Company, the Company has mandated (a) a due diligence process prior to retaining any third party, including all Agents and Partners who may have dealings with Foreign Officials and that may perform services outside the United States, and (b) the use of certain contractual language in any agreement with a third party who may have dealings with Foreign Officials and

that may perform services outside the United States. Accordingly, prior to engaging any such third party, you must request approval from the Compliance Officer. The Compliance Officer maintains and periodically updates a Due Diligence Policy, contained within Buckeye's Anti-Corruption Compliance Manual, which outlines a detailed, risk-based process that is designed to ensure that the Company is dealing with persons and entities of integrity. In connection with that process, the Compliance Officer will request that additional information and representations be obtained from the proposed third party. In addition, the third party must agree to and sign a contract containing anti-corruption, certification, and audit language approved by the Compliance Officer. All appropriate due diligence, as determined by the Due Diligence Policy and the Compliance Officer, must be completed before the Company conducts any business with or makes any payments to any third party.

The Compliance Officer must give prior approval for the use of any such third party who may have dealings with Foreign Officials and that may perform services outside the United States and further must give approval prior to the Company entering into any joint venture or acquisition agreement in order to establish that the appropriate due diligence has been conducted.

Anti-Corruption Red Flags. An important part of due diligence is understanding and evaluating so-called "red flags." Although there is no exhaustive list, the following are examples of some common "red flags":

- the country or third party has a reputation for corruption;
- the third party refused to agree to the Company's anti-corruption requirements such as due diligence, participation in training, or certification of no bribery;
- due diligence reveals that the third party is a shell company or has some other unorthodox structure;
- the third party is not qualified or lacks the requisite experience or assets in order to perform the requested services;
- the third party is suggested by a Foreign Official;
- the third party has a close personal, family, or business relationship with a Foreign Official or a Foreign Official's relatives;
- the third party suggests that a particular amount of money may be necessary to obtain business or close the deal;
- the third party requests unusual contract terms such as payment in cash or payment outside of the country in which services are rendered;
- the third party has poor accounting practices or requests reimbursement of extraordinary, poorly documented, or last minute expenses; or
- the third party requests a large "success fee" or a percentage far above commercial standards for the area.

The presence of “red flags” does not, by itself, indicate that the Company cannot do business with the third party, but warrant further review by the Company. You should immediately make the Compliance Officer aware of any “red flags.”

Facilitating Payments. Payments made to any Foreign Official, non-U.S. political party or party official, or candidate for non-U.S. political office to speed up or secure routine and non-discretionary governmental action—such as processing visas or scheduling inspections—are sometimes referred to as “facilitating payments” or “grease payments.” These payments are lawful under the FCPA but are strongly discouraged as most such payments would violate local laws. Any facilitating payment must be approved in advance by the Compliance Officer. Prior to approving any such payment, the Compliance Officer will search for ways to avoid making such payment.

A Payment Is Permitted if Required to Protect Health and Safety. There is one very narrow exception to the Company’s rule against making a payment to a Foreign Official, non-U.S. political party or party official, or candidate for non-U.S. political office. When any Company Personnel, Agent, or Partner receives a demand for a payment to a Foreign Official, non-U.S. political party or party official, or candidate for non-U.S. political office and the Company Personnel, Agent, or Partner reasonably believes that not making the payment would result in an imminent threat to his or her physical health or safety or the health or safety of his or her family members, then the demand for payment is considered “extortionate,” and the payment may be made. This exception only applies to physical health or safety; threats to commercial, financial, or other interests will never justify an improper payment to a Foreign Official, non-U.S. political party or party official, or candidate for non-U.S. political office.

When practicable, approval should be sought from the Compliance Officer prior to making such a payment. In the event that such a payment is made in response to an extortionate demand, the circumstances of the payment, including the reason for it, its amount, and the identity of the recipient, must be accurately recorded and reported in writing to the Compliance Officer or his or her designee, or to the Compliance Hotline as soon as is practicable after the payment has been made. In the case of Agents and Partners, this information must be accurately recorded and reported in writing to a Company representative, the Compliance Officer, or his or her designee, or to the Compliance Hotline as soon as is practicable after the payment has been made. Any Company representative that receives such a report from an Agent or Partner must report that information to the Compliance Officer or his or her designee as soon as is practicable after receiving the report.

Political Contributions and Charitable Contributions. Buckeye does not make political contributions. Consistent with local law, Buckeye personnel may make such contributions in their personal capacity, but they cannot be made to in any way obtain or retain Company business, direct business to another person or entity, or to obtain an improper advantage for the Company.

Buckeye often receives requests to make contributions to the communities in which it operates. Buckeye carefully evaluates such requests in an effort to be a responsible citizen in the communities in which it operates. At the same time, contributions relating to training, charities,

or other social programs requested by a government official cannot be made without the prior approval of the Compliance Officer.

Penalties. The penalties for violating the FCPA and other anti-corruption compliance laws can be severe. In addition to the penalties listed below, any officer or employee of the Company who violates any of these or other applicable anti-corruption and/or anti-bribery legislation will be subject to disciplinary action, up to and including termination for cause. Persons or entities who provide services to the Company as contractors, consultants, or other agents should similarly expect to have their contracts terminated for cause if they violate any of these laws. The Company or the relevant member of the Company will actively seek to recoup any losses that it suffers as a result of a violation of any of these laws from the individual or entity who carried out the prohibited activity.

Companies that violate the FCPA anti-bribery provisions may be subject to a fine of up to \$2,000,000, or an alternate fine that could be much greater. Individuals who violate the FCPA anti-bribery provisions may be imprisoned for up to five years and are subject to a fine of up to \$100,000, or an alternate fine that could be much greater. An employer is not permitted to reimburse fines for FCPA violations.

Questions or Concerns?

SHARE YOUR COMPLIANCE CONCERNS WITH:

- Your supervisor;
- The Human Resources or Legal Departments;
- The Compliance Officer 832-325-1644;
- The Compliance Hotline - (877) 774-9673 for calls originating from the Continental U.S. or Puerto Rico or (800) 501-6379 for calls originating from The Bahamas.
- www.buckeye.compliance-hotline.com

Sharing concerns promotes integrity while protecting the interests of our Company and our people

INTEGRITY – EVERY DAY...EVERYWHERE