

<b>DELTIC TIMBER CORPORATION</b>	<b>OPERATING PROCEDURE</b>	CLASSIFICATION & NO. <b>EXECUTIVE 101</b>		PAGE- <b>1 of 6</b>
		Replaces Executive 101, which was effective 1/15/06		
		DATE OF ISSUE December 3, 2008	DATE EFFECTIVE Immediately	DIST. CODE 1

AFFECTS

All directors, officers and employees of Deltic Timber Corporation and its majority-owned subsidiaries, hereinafter referred to as the "Company".

PURPOSE

To establish the Company's Code of Business Conduct and Ethics

SUBJECT

Code of Business Conduct and Ethics ("Code")

Key elements to the ongoing success and continued strength of the Company are the high standards of conduct of the Company's directors, officers and employees, and the professional integrity with which they perform their duties and carry out the Company's business. This Code serves as a written guide regarding the legal, moral and ethical obligations applicable to directors, officers and employees, and assumed by them on behalf of the Company. These guidelines should be considered and viewed as minimum requirements. Waivers to the provisions of the Code are not favored, and requests for waivers may only be approved by the Company's Board of Directors. Any waivers granted shall be conditioned upon the imposition of appropriate controls being in place to protect the Company, and if applicable to directors or officers, such waivers shall be promptly disclosed in compliance with applicable requirements.

Company Policy:

I. Executive Management. Executive management, which includes the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Accounting Officer and all other officers of the Company and its subsidiaries hold a vital role in the ethical conduct of the Company's business. Accordingly, this section of the Code provides principles to which members of executive management are specifically expected to adhere in conducting the Company's business:

- A. To act with honesty and integrity, avoiding actual or apparent conflicts of interest between personal and professional relationships.
- B. To comply in all material respects with applicable laws, rules and regulations of federal, state and local governments, and other appropriate private and public regulatory agencies.
- C. To act in good faith, responsibly, with due care, competence and diligence, promoting full, fair, timely and understandable disclosure in reports and documents filed with or submitted to the Securities and Exchange Commission and otherwise communicated to the public by the Company.

- D. To respect the confidentiality of information acquired in the course of employment and to protect the same from unauthorized use or disclosure. Confidential information acquired in the course of employment shall not be used for any personal advantage.
  - E. To proactively promote ethical behavior by all employees and to report and disclose promptly any material violation or potential violation of applicable law, the Company's policies or this Code to the CEO or to the Audit Committee of the Board of Directors or to the entire Board of Directors, as appropriate.
  - F. To exercise responsible use and control over all of the Company's assets and resources.
- II. Compliance with Federal and State Laws, Rules, and Regulations. The Company's intention is to act as a good corporate citizen of all states in which it operates. The Company must comply with extensive federal laws, and regulations of the federal government and each of the states where it does business. It is imperative to know and understand the applicable laws affecting our Company's operations. Each director, officer and employee is charged with complying with applicable laws and regulations. Questions regarding compliance with federal or state laws, rules, and regulations may be directed to the Company's General Counsel.
- Federal and certain states' laws regulate and in many instances prohibit the contribution of corporate funds to candidates for public office, or to committees formed to support such candidates, or to advocate other political causes. The Company shall comply fully with these laws. The policy of the Company is that no Company funds shall be contributed to any political party or organization, or to any individual who either holds public office or is a candidate for public office, except where such a contribution is permitted by applicable law and has specifically been authorized by the Board of Directors. Of course, directors, officers and employees may engage in political activities in individual capacities on their own time and expense and may make political contributions from personal funds.
- III. Compliance with Securities laws and the use of Inside Information. The Company recognizes the importance of a strong securities market. To accomplish this, a number of laws, rules, and regulations have been established to protect the strength and integrity of the securities market. Accordingly, each of the Company's directors, officers and employees shall comply with those laws, rules, and regulations. Securities laws provide severe sanctions upon those using material non public information (Inside Information) to benefit themselves or the Company. All should know that significant information concerning the Company's plans or operations that has not been released to the public is strictly confidential. Accordingly, Inside Information must not be used by anyone to obtain benefit for the Company or themselves. In addition, no one shall disclose such Inside Information to others, including relatives, business representatives, etc., who do not need such information to fulfill their duties and obligations. Questions regarding compliance with security laws, rules, and regulations may be directed to the Company's General Counsel.
- IV. Fair Dealing, Fraud, Bribery. Every director, officer and employee should deal fairly and ethically with the Company's customers, suppliers, competitors, and employees. None should take unfair advantage of anyone through manipulation, concealment, misrepresentation of material facts, or

any other unfair or deceptive act.

Fraud or commercial bribery committed by a director, officer or employee, either for his or her personal benefit or for the benefit of the Company, will not be tolerated. The Company's officers are responsible for recognizing potential areas of exposure to fraud and bribery and are responsible for establishing controls and procedures to detect suspected wrongdoing.

V. Conflicts of Interest. The Company's long-established policy requires all directors, officers and employees to avoid any situation which involves or may involve a conflict between their personal interests and the interests of the Company and its subsidiaries. All have an obligation at all times to objectively and effectively promote the Company's best interest. The following is the Company's Conflict of Interest policy:

- A. Directors, officers and employees, and members of their immediate family living in the same residence, shall not accept from any outside concern which does or is seeking to do business with, or is a competitor of, the Company:
  - 1. Gifts of more than de minimus value; and
  - 2. Loans, other than from established banking or financial institutions in the ordinary course of business; and
  - 3. Entertainment unless comparable hospitality is returned at Company expense. In this area, commensurate benefits to the Company must be involved, and any travel should be at Company expense; and
  - 4. Other substantial favors.
- B. No one shall disclose or use confidential Company information for the personal profit or advantage of himself or herself or anyone else. Confidential information includes but is not limited to all non public information, including Inside Information, trade secrets, computer data, proprietary and other intellectual property that might be useful to the Company's competitors or harmful to the Company if disclosed improperly.
- C. No director, officer or employee shall compete with the Company, directly or indirectly, in the purchase or sale of property rights or interest or in any other manner. This prohibition extends to exploiting corporate opportunities, which includes:
  - 1. the personal taking of opportunities that are discovered through the use of Company property, information, or position; and
  - 2. using Company property, information, or position for personal gain; and
  - 3. otherwise competing with the Company.

Further, each director, officer and employee, as stewards of Company property has an express duty to protect and ensure its most efficient use.

D. Each salaried employee shall have on file with the Company a current signed "Statement of Conformance to Policy on Conflicts of Interest" (Exhibit A), and shall report promptly to the Human Resources Section any situation not previously reported in which he/she becomes involved that might be a possible conflict of interest. Officers and salaried employees will be requested to update such statements at least every twenty-four months.

E. Each prospective officer and salaried employee to whom a job offer is to be made shall be advised of this policy and as a condition of employment shall be required to conform to this policy and to sign a "Statement of Conformance to Policy on Conflicts of Interest."

F. All information disclosed by an officer or employee concerning actual or possible conflicts of interest shall be treated on a confidential basis, except to the extent necessary for the protection of the Company's interest.

G. The Company's Conflict of Interest policy will apply generally to all. It may, however, not be applicable to certain groups due to employment arrangements, or because of local, state, or federal laws, statutes, rules or regulations, which shall be controlling in case of conflict with this policy. It shall be administered by the Company's Human Resources Department using the following guidelines:

1. Employee Outside Employment and Interests - Experience strongly suggests that when an officer or employee holds an additional job with another employer or becomes extensively involved in personal business interests, his or her efficiency and job performance are adversely affected. While minor outside business interests, which do not conflict either directly or indirectly with the Company's business may be permitted, it is obviously unfair to the Company for an officer or employee to engage in any outside employment or activity which would conflict with the demands of the Company on the officer's or employee's time and interests.

The Company encourages its officers and employees to be good citizens and to participate in civic activities. It should be kept in mind, however, that too much involvement in such activities can demand a considerable amount of time. Caution and good judgment should be used in considering such involvement because of the possible effect on job performance and efficiency. Such outside involvement should be discussed with the employee's supervisor to determine whether it is affecting the employee's work for the Company.

While it is impossible to list every circumstance giving rise to possible conflict of interest, the following are types of activities which might cause conflict and which should be fully reported to the Company.

- a. Ownership by an officer or employee, or any other member of his or her immediate family, of a substantial financial interest in any outside concern which does significant business with, or is a competitor of, the Company.
- b. Rendition by an officer or employee of managerial or consultative services to any outside concern.

- c. Representation of the Company by an officer or employee in any transaction in which the employee or close relative (i.e., spouse, children, parents, brothers, and sisters) has a substantial interest.
  - d. An officer or employee's part-time employment with an outside firm or individual.
  - e. Personal or family business involvement requiring more than a minimum demand of time and interest.
  - f. Serving as a member of the Board of Directors of an outside firm or organization, where such service may lead to conflicts with the interests of the Company, or such organization does significant business with or is a competitor of the Company .
2. "Statements of Conformance to Policy on Conflicts of Interest" will be screened by each employee's department head. Any statement which indicates a possible conflict of interest will be submitted to the Corporate Compliance Officer for review. If it is determined that a conflict of interest does exist, an informal meeting will be arranged between the employee and a Company representative to determine a method for eliminating the conflict.
  3. In case of doubt or extenuating circumstances concerning a possible conflict of interest, a full written report of the situation should be furnished so that a decision can be made as to whether a conflict is involved.
  4. All completed "Statements of Conformance to Policy on Conflicts of Interest" shall be retained in the officer or employee's personnel file.

VI. Reporting Illegal, Unethical Behavior or Violations of this Code. It is the express responsibility of anyone who suspects wrongdoing that violates the Company's Code of Business Conduct, or who has concerns about illegal, unethical, or unsafe practices to immediately report it. An employee should notify his or her supervisor about any such activity or concerns. The supervisor may discuss such suspected violations with higher level management, possibly to include the Company's Corporate Compliance Officer, currently the CFO, or General Counsel. Should the employee believe that it is inappropriate to discuss the situation with his or her supervisor or believe that information reported to the direct supervisor has not elicited appropriate action, the employee may choose to make an anonymous report at his or her election to the independent third party retained by the Company. The anonymous incident reporting system may be accessed by telephone, 1-800-461-9330, or via their web link [www.MySafeWorkplace.com](http://www.MySafeWorkplace.com). The employee may elect to contact the Corporate Compliance Officer at telephone number 870-881-6432, or the Company's General Counsel at telephone number 870-881-6407. The employee, at the time of the report, should be prepared to explain suspected wrongdoing in detail.

Once such suspected wrongdoing becomes known, it is the responsibility of the Corporate Compliance Officer to ensure that the situation is fully investigated. All reports concerning alleged accounting, auditing, or public disclosure matters will be referred to the Chairman of the Board of Director's Audit Committee. The Corporate Compliance Officer and/or Audit Committee, as the case may be, will use whatever means are considered necessary to carry out this responsibility. All

alleged violators and perpetrators will be treated consistently, without regard to position held or length of service.

The Company, including its directors, officers and employees, will cooperate fully with law enforcement and regulatory agencies. When appropriate, management will report unlawful activities to law enforcement agencies and will support prosecution. The Company will not tolerate cover-up of any such wrongdoing or any attempted retaliation against witnesses.

EXHIBIT A

STATEMENT OF CONFORMANCE TO POLICY ON CONFLICTS OF INTEREST

I have read Deltic's Conflict of Interest Policy (contained in Operating Procedure 101) and I certify that, except as specifically noted below:

1. I have conformed to the policy, and
2. I will exercise my best efforts to assure future compliance with the policy.

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Title and Location

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Exceptions/Remarks:

(here note, in addition to exceptions to conformance, personal or family business ownership, part-time employment, managerial or consultative services, Board of Directors membership of outside firms or organizations or other interests which should be reported.)

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