

# **GRAPHIC PACKAGING HOLDING COMPANY**

## **CORPORATE GOVERNANCE GUIDELINES**

### **OF THE BOARD OF DIRECTORS**

**Adopted May 20, 2008**

**And Amended and Restated as of May 23, 2012 and  
May 22, 2013**

## Table of Contents

Guideline Number	Description	Page
1.	Classification and Definition of Directors.....	1
2.	Size of the Board.....	2
3.	Board Membership Criteria.....	2
4.	Selection of New Director Candidates .....	3
5.	Director Evaluation .....	4
6.	Directors Who Change Job Responsibility.....	4
7.	Board Membership of Former Members of Management.....	4
8.	Term Limits and Retirement Age .....	4
9.	Director Responsibilities .....	5
10.	Conflicts of Interest.....	5
11.	Executive Sessions .....	5
12.	Board Compensation.....	5
13.	Director Stock Ownership Guidelines .....	6
14.	Board Access to Independent Advisors .....	6
15.	Board Interaction with Senior Management .....	6
16.	Board Interaction with Institutional Investors, Media, Customers, etc.....	6
17.	Board Committees.....	7
18.	Assignment and Rotation of Committee Members.....	8
19.	Committee Agendas.....	9
20.	Selection of Agenda Items for Board Meetings.....	9
21.	Board Materials Distributed in Advance .....	9
22.	Attendance of Senior Management at Board Meetings.....	9
23.	Officer Elections .....	9
24.	Formal Evaluation of the CEO .....	10
25.	Succession Planning and Management Development.....	10
26.	Charitable Contributions .....	10
27.	Prohibition on Personal Loans.....	10
28.	Director Orientation and Continuing Education .....	10
29.	Assessing the Board's Performance.....	11
30.	Amendment, Modification and Waiver .....	11
31.	Director Attendance at Annual Stockholders' Meeting .....	11
32.	Communications with the Board .....	11

# Graphic Packaging Holding Company

The business of Graphic Packaging Holding Company (together with its subsidiaries, the "Company") is conducted by its employees and officers under the direction of the President and Chief Executive Officer and other members of senior management. The Board of Directors (the "Board") acts as fiduciary for all stockholders and oversees management for the long-term interests of the stockholders.

The Board is responsible for:

- A. Selecting, evaluating and approving the compensation of the Chief Executive Officer, as well as providing counsel and oversight on the selection, evaluation, development and compensation of senior management.
- B. Reviewing, approving and monitoring business strategies and financial performance.
- C. Ensuring processes are in place for maintaining the integrity of the Company in financial reporting and legal and ethical compliance matters, and in relationships with customers, suppliers, employees, the community and stockholders.

## Board of Directors' Corporate Governance Guidelines

### 1. Classification and Definition of Directors

The principal classifications of directors on the Company's Board are as follows:

A "Management Director" includes present employees of the Company who serve on the Board.

An "Independent Director" is an individual who qualifies as "independent" in accordance with the applicable provisions of the Securities Exchange Act of 1934, and the rules promulgated thereunder, and the applicable rules of the New York Stock Exchange. No Director will qualify as "independent" unless the Board has affirmatively determined that such Director does not have a material relationship with the Company.

The Board may also appoint Directors Emeritus. Directors Emeritus are invited to Board meetings, but do not vote on issues presented to the Board.

**2. Size of the Board**

The size of the Board shall be determined from time to time in accordance with the Company's Certificate of Incorporation and Amended and Restated By-laws.

**3. Board Membership Criteria**

The Nominating and Corporate Governance Committee of the Board is responsible for identifying and recommending individuals to the Board for nomination as members of the Board and its committees. To fulfill this responsibility, the Nominating and Corporate Governance Committee shall periodically review with the Board the current skills, background and expertise of the members of the Board, as well as future and ongoing needs of the Company. This assessment shall be used to establish criteria for evaluation of potential candidates for the Board. However, as a general matter, the Nominating and Corporate Governance Committee seeks individuals who demonstrate:

- the highest personal and professional integrity,
- commitment to driving the success of the Company;
- an ability to provide informed and thoughtful counsel on a range of issues; and
- exceptional ability and judgment.

The Nominating and Corporate Governance Committee uses the same criteria for evaluating stockholder-recommended nominees as it does for identifying and recommending Board candidates.

Directors are expected to advise the Chairman of the Board and the Chairperson of the Nominating and Corporate Governance Committee promptly upon accepting any other public company directorship or any assignment to the Audit Committee or Compensation and Benefits Committee of the board of

directors of any public company of which such Director is a member. Directors who assume a significant role in a not-for-profit entity should also notify the Chairman of the Board and the Chairperson of the Nominating and Governance Committee.

The Board will consider on a case by case basis the number of boards of directors of public companies on which a Director may serve while serving as a Director of the Company. Notwithstanding the foregoing, a Director should not serve on the boards of more than 5 public companies, subject to the more stringent criteria set forth in the Audit Committee Charter for members of the Audit Committee.

The Board will also consider on a case by case basis the number of boards of directors on which the CEO may serve while serving as the CEO of the Company. Notwithstanding the foregoing, the CEO should not serve on the boards of more than 3 companies, including the Company's Board of Directors.

#### **4. Selection of New Director Candidates**

The Board is responsible for selecting nominees for election as Directors by the Company's stockholders and for filling vacancies on the Board. Nominees for election as Directors will be identified and recommended by the Nominating and Corporate Governance Committee and nominated or appointed by the full Board. An invitation to join the Board will be extended jointly by the Chairman and the Chairperson of the Nominating and Corporate Governance Committee.

In addition, the Nominating and Corporate Governance Committee will consider nominees for election as Director that are recommended by the Company's stockholders. To be considered by the Nominating and Corporate Governance Committee, stockholder recommendations must be submitted in accordance with the procedures set forth in the Company's Amended and Restated Bylaws for stockholder nominations and all applicable federal and state laws.

Once the Company receives a recommendation from a stockholder, the Company will deliver to the candidate a questionnaire, which requests additional information about the candidate's independence, qualifications and other information that would assist the Nominating and Corporate Governance Committee in evaluating the candidate, as well as certain information that must be disclosed about the candidate in the Company's proxy statement, if nominated. Candidates must complete and return the questionnaire within the time frame provided to be considered for nomination by the Nominating and Corporate Governance Committee.

**5. Director Evaluation**

The Nominating and Corporate Governance Committee, in consultation with the Chairman and Chief Executive Officer, reviews each Director's continuation on the Board every three years prior to his or her re-nomination to serve on the Board. This process allows each Director the opportunity to confirm his or her desire to continue as a member of the Board and provides for an evaluation by the Nominating and Corporate Governance Committee of whether or not the Director, based upon his or her skills, background, expertise, and contribution to the Board, is in keeping with the Company's present and future needs. After evaluation of a Director, the Chairperson of the Nominating and Corporate Governance Committee and the Chairman of the Board inform each Director under consideration of the Committee's decision. The Nominating and Corporate Governance Committee recommends to the Board for approval the slate of Director nominees to be submitted to stockholders for election at the annual meeting.

**6. Directors Who Change Job Responsibility**

Individual Directors who have a substantial change in the employment, position or responsibility they held when they were elected to the Board should volunteer to resign from the Board, at which time the Nominating and Corporate Governance Committee will review the continued qualifications of a Board member under these changed circumstances and will recommend to the Board whether or not to accept the resignation.

**7. Board Membership of Former Members of Management**

A Management Director is expected to resign from the Board when he or she ceases to be a member of Management.

**8. Term Limits and Retirement Age**

The Board has no established term limits. The process of evaluating Board members before re-nomination negates the need for term limits.

A retirement age of 72 is set for all Board members. Unless a waiver is granted by the Board, a Director reaching age 72 during a duly elected term will retire effective immediately prior to the Annual Meeting of stockholders next following such Director's 72<sup>nd</sup> birthday.

**9. Director Responsibilities**

The Board of Directors shall meet not less than four (4) times per year. Directors should regularly attend meetings of the Board and of all Board committees upon which they serve. To prepare for meetings, Directors are expected to review the materials that are sent to Directors in advance of those meetings.

**10. Conflicts of Interest**

In order to prevent potential conflicts of interest, non-Management Directors are discouraged from advocating on behalf of job seekers, vendors, developers, political candidates, charitable organizations, or the like. Exceptions to this policy should be vetted through the Chairperson of the Nominating and Corporate Governance Committee of the Board or the Secretary of the Company.

Directors must disclose to other Directors any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.

**11. Executive Sessions**

The Board schedules regular Executive Sessions at which non-Management Directors (i.e., Directors who are not Company officers) meet without management participation. The Chairman (if a non-Management Director) or the Chairperson of the Nominating and Corporate Governance Committee of the Board shall preside at each Executive Session and, in his or her absence, the non-Management Directors shall select a non-Management Director to preside. No formal action of the Board will be taken in Executive Sessions.

**12. Board Compensation**

Graphic's policy is to compensate non-Management Directors competitively with directors of comparable companies. Management Directors receive no additional compensation for Board service.

The Nominating and Corporate Governance Committee of the Board reviews and recommends to the full Board the form and amount of Director compensation, including cash, equity-based awards and other Director compensation.

Members of the Audit Committee of the Board, including the Company's "audit committee financial expert(s)", shall receive no compensation from the Company other than Directors' compensation.

**13. Director Stock Ownership Guidelines**

Director share ownership is a hallmark of enlightened and aligned corporate governance practices. Within a three-year period after joining the Board, non-Management Directors should acquire and hold shares of the Company's common stock having a value that approximates two times the annual retainer. The Board believes that share ownership by executive management of the Company is essential for full alignment with stockholder interests. While current share ownership by executive management is encouraged, specific ownership guidelines will not be developed by the Board until such time that the Company's common stock is more widely held by the public.

**14. Board Access to Independent Advisors**

The Board and its Committees, to the extent set forth in the applicable committee charters and as required by applicable law, have the right to consult and retain independent legal and other advisors at the expense of the Company.

**15. Board Interaction with Senior Management**

Board members have complete access to senior management of the Company and are encouraged to make regular contact.

The Board will comport itself in a manner that reflects clear understanding of the difference between its role and that of the Chief Executive Officer, i.e., the Board will monitor, in an environment of loyal but independent oversight, the business and affairs of the Company and management will be responsible for operating the Company on a day-to-day basis.

Proactive communication among the Board, its Committees, individual Directors and management that establishes an on-going and productive dialogue and allows an opportunity for timely input from all concerned is highly desirable in carrying out their respective responsibilities. In that regard, it is incumbent upon management to bring issues of importance to the Board sufficiently early to allow for meaningful input from the Directors. If in order to do so, a special meeting of the Board is required, management will not hesitate to call one.

**16. Board Interaction with Institutional Investors, Media, Customers, etc.**

The Chief Executive Officer and his designees speak for the Company and all members of the Board and management shall at all times comply with the Company's disclosure policy.



## 17. **Board Committees**

The Board maintains an Audit Committee, a Nominating and Corporate Governance Committee, and a Compensation and Benefits Committee that operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange. Only Independent Directors shall serve on the Committees of the Board.

Meetings of the three standing Committees are open to all members of the Board, subject to the right of the members of each committee to meet in executive session. The Secretary will inform all of the Board members in a timely manner when Committee meetings are to be held and the issues that are to be discussed. Due to the inherent difficulty in finding a time when all Committee members are available, particularly for those meetings to be held between regularly scheduled Board meetings, no attempt will be made to ensure that Committee meetings are scheduled at a time that is also convenient for those Directors who are not members of the Committee. However, should an individual Director have interest in a particular issue coming before one of the Committees, he should let the Committee Chairman know and an effort to accommodate his schedule will be made.

Ad hoc committees, the appointment of which requires Board approval, are limited to matters that because of their urgency, materiality or special expertise suggest that the creation of such a Committee would prove useful in addressing them. Notwithstanding the foregoing, management is strongly encouraged to take full advantage of the extensive experience, knowledge and special expertise that its various Board members have to offer.

The Audit Committee is responsible for, among other things:

- overseeing and ensuring compliance with the Company's accounting and financial reporting principles and policies and internal control over financial reporting;
- monitoring the integrity of the Company's financial statements;
- selecting, evaluating and, when deemed appropriate, replacing the independent registered public accounting firm;
- evaluating the independence of the independent registered public accounting firm; and
- approving or ratifying all transactions with related parties required to be approved or ratified pursuant to the Company's Policy Regarding Related Party Transactions.

The Compensation and Benefits Committee oversees the compensation and benefits of the Company's management and employees and is responsible for, among other things:

- reviewing and making recommendations to the full Board as to the compensation arrangements of the Chairman and CEO
- reviewing and approving the compensation arrangements of the executive officers (as designated by the Board) of the Corporation;
- approving any awards of stock or options to Management Directors and to other individuals who are "officers" for purposes of Section 16 of the Securities Exchange Act of 1934; and
- administering the Company's short-term and long-term incentive plans.

The Nominating and Corporate Governance Committee is responsible for, among other things:

- identifying qualified individuals for nomination to the Board; and
- developing and maintaining these Guidelines.

The Board may also assign any such Committees such further responsibilities as may be required under applicable state law, the rules and regulations promulgated by the Securities and Exchange Commission and New York Stock Exchange requirements.

The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company's Amended and Restated Bylaws as the Board sees fit.

#### **18. Assignment and Rotation of Committee Members**

The Nominating and Corporate Governance Committee, in consultation with the Chairman will nominate Directors for each Committee and to serve as Chairpersons of the Nominating and Corporate Governance, Audit, and Compensation and Benefits Committees for the ensuing year, subject to Board approval and applicable Securities and Exchange Commission and New York Stock Exchange requirements. Directors who are within one year of retirement should not be nominated to serve as Committee Chair.

The Board does not rotate Committee assignments on a fixed schedule.

**19. Committee Agendas**

The Chairperson of each committee of the Board, in consultation with committee members and the appropriate members of Management and staff, develops the committee's agenda. Each committee annually reviews its charter for any necessary revisions.

At the beginning of each fiscal year, each committee issues a schedule of agenda subjects to be discussed for the ensuing year (to the degree these can be foreseen). This forward agenda is shared with the Board.

**20. Selection of Agenda Items for Board Meetings**

The Chairman of the Board, in consultation with the Chief Executive Officer, establishes the agenda for each Board meeting.

Each Board member is free to suggest the inclusion of item(s) on the agenda.

The Secretary of the Company is responsible for publishing the agenda and maintaining compliance with required Board actions.

**21. Board Materials Distributed in Advance**

Information and data that is important to the Board's understanding of the business, as well as proposed resolutions, is distributed to the Board in advance of Board meetings. Graphic's Management makes every attempt to see that this material is as brief as possible while still providing the desired information. It is expected that Board Members read all distributed materials in advance of the meeting.

**22. Attendance of Senior Management at Board Meetings**

Graphic's Board encourages attendance and presentations of Senior Management at the invitation of the Chief Executive Officer. The Board specifically encourages participation of Senior Management from time to time to: (a) provide additional insight into the items being discussed because of personal involvement in these areas, (b) expose managers to the Board, and (c) give the Board an opportunity to evaluate Senior Management capabilities.

**23. Officer Elections**

The Board annually appoints the officers of the Company, based upon the recommendations of the Chief Executive Officer. Appointment of new officers is also approved by the Board. General duties of all officers are confirmed by the Board in accordance with the Company's Amended and Restated Bylaws.

**24. Formal Evaluation of the CEO**

The Board formally evaluates the Chief Executive Officer annually, based upon his or her self-evaluation and input from other Directors. The results, including recommendations for action, are communicated in person by the Chairman of the Nominating and Corporate Governance Committee. The Chief Executive Officer may give formal response(s) to the Board at its next meeting.

**25. Succession Planning and Management Development**

There shall be an annual report to the Board on succession planning for the Chief Executive Officer and his or her direct reports. There shall be an annual report by the Chief Executive Officer on the Company's program of management development. This report should be given to the Board at the same time as the succession planning report noted above.

**26. Charitable Contributions**

If an executive officer, a Director or an immediate family member of an executive officer or Director serves as a director, trustee or executive officer of a foundation, university or other not-for-profit organization ("Charitable Organization") and such Charitable Organization receives contributions from the Company; such contributions will be reported to the Nominating and Corporate Governance Committee. If the annual contributions exceed \$10,000.00 such contributions shall be given special consideration by the Nominating and Corporate Governance Committee and the Board for purposes of making the independence determination with respect to the Director.

**27. Prohibition on Personal Loans**

The Company will not extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any Board member or member of the Company's management.

**28. Director Orientation and Continuing Education**

The Board provides access to appropriate orientation programs, sessions or materials for newly elected Directors of the Company for their benefit either prior to or within a reasonable period of time after their election as a Director. The Board encourages Directors to periodically engage in continuing education through programs, sessions, seminars or materials appropriate to the responsibilities of Directors of publicly-traded companies.

**29. Assessing the Board's Performance**

In order to increase the Board's effectiveness, the Board will conduct a self-evaluation annually to determine whether it and its committees are functioning effectively. This evaluation considers the Board's contribution as a whole and specifically reviews areas in which the Board and/or Management believes a greater contribution can be made.

The Nominating and Corporate Governance Committee oversees this evaluation.

**30. Amendment, Modification and Waiver**

These Guidelines may be amended, modified or waived by the Board and waivers of these Guidelines may also be granted by the Nominating and Corporate Governance Committee, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder and the applicable rules of the New York Stock Exchange, as each may be amended from time to time.

**31. Director Attendance at Annual Stockholders Meetings**

Board members are expected to attend each annual stockholders meeting.

**32. Communications with the Board**

Stockholders and other interested parties may send communications to the entire Board, to the chairperson of the Nominating and Corporate Governance Committee, who presides over meetings of non-Management Directors, or to any one or more individual directors by addressing such communication to such Director or Directors at the address of the Company's corporate headquarters.