

**CSS INDUSTRIES, INC.**

**CODE OF BUSINESS CONDUCT AND ETHICS**

**FOR**

**MEMBERS OF THE BOARD OF DIRECTORS**

The Board of Directors (the "Board") of CSS Industries, Inc. ("CSS") has adopted the following Code of Business Conduct and Ethics (this "Code ") for directors of CSS. This Code is intended to focus the Board and each director on areas of ethical risk, provide guidance to directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability. Each director is expected to comply with the letter and spirit of this Code.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for directors. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chair of the Nominating and Governance Committee, who may consult with legal counsel or other advisors as appropriate.

Directors who also serve as officers of CSS should read this Code in conjunction with the CSS Code of Ethics and Internal Disclosure Procedures.

**1. Conflict of Interest.**

A "conflict of interest" occurs when a director's private interest interferes in any way with the interests of CSS and its affiliates (jointly and severally "the Company"). Conflicts of interest also arise when a director, or a member of his or her immediate family may receive improper personal benefits as a result of his or her position as a director of CSS.

Directors must avoid conflicts of interest with the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company must be disclosed immediately to the Chair of the Nominating and Governance Committee.

This Code does not attempt to describe all possible conflicts of interest which could develop. Some of the more common conflicts from which directors must refrain, however, are as follows:

- *Relationship of Company with third-parties.* Directors should not engage in any conduct or activity that is inconsistent with the Company's best interests or that disrupts or impairs the Company's relationship with any person or entity with which the Company has or which the director knows the Company proposes to

enter into a business or contractual relationship.

- *Compensation from non-Company sources.* Directors may not accept compensation, in any form, for services performed for the Company from any source other than CSS.
- *Gifts.* Directors and members of their families may not offer, give or receive gifts from persons or entities who deal with the Company in those cases where any such gift is being made in order to influence the directors' actions as members of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest.

## **2. Corporate Opportunities.**

Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors are prohibited from: (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or the director's position; (b) using the Company's property, information, or position for personal gain; or (c) competing with the Company, directly or indirectly, for business opportunities, *provided, however*, if the Company's disinterested directors determine that the Company will not pursue an opportunity that relates to the Company's business, a director may do so.

## **3. Confidentiality.**

Directors must not disclose confidential information provided to them by the Company or its customers, and any other confidential information about the Company of which they gain knowledge, from whatever source, in their capacity as director, except when disclosure is authorized or required by law or regulation. Confidential information includes, but is not limited to, all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed.

## **4. Proper Use of Company Assets.**

Directors shall not use Company time, employees, supplies, equipment, tools, facilities or other assets for personal benefit other than for incidental use, without either prior authorization from the Chairman of the Nominating and Governance Committee or as part of a compensation or expense reimbursement program available to all directors.

## **5. Fair Dealing.**

Directors shall deal fairly and oversee fair dealing by employees and officers with the Company's directors, officers, employees, customers, suppliers and competitors. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practices.

**6. Compliance with Laws, Rules and Regulations**

Directors shall comply, and oversee compliance by employees, officers and other directors, with all laws, rules and regulations applicable to the Company, including those pertaining to insider trading. Transactions in securities of CSS are governed by the CSS' "Personal Securities Transactions Guidelines".

**7. Waivers of the Code of Business Conduct and Ethics.**

Any waiver of this Code may be made only by the Board or as a whole or by its Nominating and Corporate Governance Committee and must be promptly disclosed to the Company's stockholders.

**8. Encouraging the Reporting of any Illegal or Unethical Behavior.**

Directors should promote ethical behavior and foster an environment which:

( a) encourages Company employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (b) encourages Company employees to report violations of laws, rules, regulations or the CSS Code of Ethics and Internal Disclosure Procedures to appropriate personnel; and ( c) assures that the Company will not permit retaliation to employees for reports made in good faith pursuant to (b) above.

**9. Failure to Comply: Compliance Procedures.**

A failure by any Director to comply with the laws or regulations governing the Company's business, this Code or any other Company policy or requirement may result in disciplinary action, and, if warranted, legal proceedings.

Directors should communicate any suspected violation of this Code promptly to the Chair of the Nominating and Governance Committee. Violations will be investigated by the Board or by a person or persons designated by the Board and appropriate action will be taken in the event of any violation of this Code.