



Standards of Business Conduct

Effective January 1, 2002

Updated Annually

Last Update: January 1, 2009

To All Caraustar Directors, Officers and Salaried Employees,

Caraustar is committed to conducting our business with the highest degree of honesty and ethical behavior. The maintenance of such ethical standards is the cornerstone of the Company, allowing us to produce high quality products, provide outstanding customer service and excel in every aspect of our business.

All Caraustar directors, officers and employees have a responsibility to uphold our key values of honesty, integrity, and fairness and to apply them to their daily work activities and duties. The enclosed Caraustar Standards of Business Conduct policy, which applies to all directors, officers and salaried employees, provides a summary of the most important standards that underlie our business ethics and professional judgment. It should be a key resource to help guide you in your decision making process.

I strongly encourage you to familiarize yourself with this policy and ask questions of your manager or members of the Corporate Compliance Committee if any areas are not clear. Should you be aware of any event or transaction that violates these policies, you should immediately communicate that situation via appropriate policy channels.

Michael J. Keough
President and CEO

Standards of Business Conduct Corporate Compliance Committee Members:

Mike Keough - President and Chief Executive Officer
Ron Domanico - Senior VP and Chief Financial Officer
Barry Smedstad - VP, Human Resources
Jon Steadman - Director of Internal Audit
Wilma Beaty - VP, General Counsel and Corporate Secretary

Caraustar Industries, Inc. Human Resources Policies and Procedures	Effective Date: January 1, 2002
Section: Compliance/Legal	Policy No. 4.2
Subject: STANDARDS OF BUSINESS CONDUCT – SALARIED EMPLOYEES	Last Updated By: Corporate Human Resources January 1, 2009
Approved By: Barry Smedstad 	Page: 1 of 9

All directors, officers and other salaried employees of Caraustar and its subsidiaries (collectively, the "Company") are required to conduct business activities and operations in a moral and ethical manner and in compliance with applicable laws, rules, regulations and the standards in these Standards of Business Conduct.

It is the policy of the Company to prevent the occurrence of unethical or unlawful behavior and to halt any such behavior that may occur as soon as reasonably possible after its discovery. Violations of these Standards may result in serious consequences for the violator, including termination of employment.

References in these Standards to "employees" are deemed to refer solely to salaried employees. The Company has separate Standards of Business Conduct that apply to hourly employees. The Standards of Business Conduct for hourly employees are similar to these Standards, with modifications to appropriately reflect an hourly employees' employment circumstances.

Compliance with Laws

The Company has a permanent commitment to recognize the public interest. The activities of the Company, its directors and employees (expressly including officers) are expected to be in full compliance with the letter and spirit of all applicable laws, rules and regulations. It would be impossible to summarize here all the laws, rules and regulations with which we must comply; these Standards refer to only a few of them.

Anyone with questions about his or her obligations under applicable federal or state laws in areas in which the Company conducts business should seek advice from his or her supervisor/manager, the Corporate Human Resources Department or the Corporate Compliance Committee.

Conflicts of Interest

Directors and employees of the Company have a primary business responsibility to the Company and must avoid any activity that may interfere, or have the appearance of interfering, with the performance of this responsibility. Business decisions must be based solely on the best interests of the Company, without regard to personal, family or other extraneous considerations.

Conflicts of interest can arise when an individual's position or responsibilities with the Company present an opportunity for gain apart from the normal rewards of employment. They also can arise when an individual's personal or family interests are, or may be viewed as being, inconsistent with those of the Company, and therefore as creating conflicting loyalties. Such conflicting loyalties can cause the individual to give preference to personal interests, either internal or external, in situations where Company responsibilities come first. Similarly, conflicts also can arise where an individual takes personal advantage or obtains personal gain from an

opportunity learned of or discovered during the course and scope of his or her employment or service with the Company when that opportunity or discovery could be of benefit or interest to the Company.

The following examples illustrate what the Company expects from its directors and employees. The list is not comprehensive but is intended to suggest how these Standards would apply in a given situation. It is important that the spirit of these Standards be understood and observed.

No director or employee may personally benefit from his or her service or employment with the Company except through compensation received directly from the Company. This prohibition does not apply to discounts offered by merchants that are generally available to all employees of the Company.

No director or employee shall solicit or accept, either directly or indirectly, a payment, reward, fee, substantial gift or gratuity, or excessive entertainment, including meals, lodging or travel, from any present, past or prospective customer, competitor or supplier. It is obviously impossible to set absolute standards for gifts that are "appropriate" rather than "inappropriate." If gifts are of nominal value, however, and given as a token of friendship, no cause for embarrassment or adverse publicity should result. Therefore, only gifts of a personal nature with a slight value, or entertainment that, by virtue of the personal contacts established, is clearly in the interests of the Company, should be regarded as acceptable. Gifts that are useful in a Company office, are on display and become Company property may be acceptable. Cash or its equivalent never may be accepted, in any amount or manner whatsoever.

Ownership interests in competitors or concerns with which the Company does business (excluding, for a publicly traded company, investments not exceeding one percent of the value of the company's outstanding equity securities, and for a privately held company, investments of less than \$25,000 or one percent) must be approved in writing by the Corporate Compliance Committee prior to the acquisition of such ownership interest. Ownership interests of this type that predate a particular concern's business relationship with the Company should be reviewed periodically by the Corporate Compliance Committee for consistency with these Standards.

No employee should employ immediate family or other close relatives for Company positions over which he/she is responsible without the express approval of the Corporate Compliance Committee.

The Company encourages individual participation in civic activities, provided such activities do not conflict with the Company's interests.

No employee may buy or sell assets from the Company, including in a fiduciary capacity, unless the purchase or sale is disclosed to and approved by the Corporate Compliance Committee.

The appearance of a conflict of interest can be as damaging to the Company as an actual conflict. Directors and employees should conduct themselves at all times so as to avoid apparent conflicts. Any employee who believes he/she may have a conflict of interest should disclose it immediately and seek guidance from his/her manager or the Corporate Compliance Committee. Any director who believes he/she may have a conflict of interest should disclose it immediately to the Audit Committee of the Board of Directors.

The Audit Committee must approve all related party transactions, i.e., those required to be disclosed in the Company's proxy statement under applicable rules of the Securities and Exchange Commission (the "SEC"), and the Company will review all such transactions on an ongoing basis for potential conflict of interest situations.

Outside Employment

The Company expects each employee to be fully attentive and loyal to the interests of the Company at all times. Accordingly, no employee may engage in any activity, including outside employment, that places his/her interests, or the interests of other persons or groups, in conflict with the best interests of the Company. Outside employment or other interests that could detract from an employee's work performance must be approved in advance by the Corporate Compliance Committee.

Company officers, senior executive managers and certain other key employees must have approval from the Corporate Compliance Committee prior to committing to serve as an officer or director of any other company.

Company Records

Company records always must be prepared accurately and maintained properly, in accordance with Company policies and all applicable laws and regulations.

No false, artificial or deceptive entries may be made in the Company's records for any reason. The simple rule of thumb is that the Company's books accurately must reflect the transactions they record. In addition, it is important to remember that Company records belong to the Company. Therefore, Company records should not be removed from Company property except for a legitimate business reason, and any documents so removed should be returned to Company property as soon as practical.

Accounting procedures and controls are prescribed by Company policies. Within these policies, the senior officers of the operating companies have the primary responsibility for establishing and monitoring adequate systems of internal control over financial reporting, and all employees must adhere to these systems. The Company will periodically conduct audits to monitor and document compliance with the systems. Employees shall cooperate completely and forthrightly with the company's internal and independent auditors.

No director or employee may engage in, allow or conceal any financial or administrative irregularity, nor may any director or employee take any action to fraudulently influence, coerce, manipulate, or mislead any auditor engaged in the performance of an audit for the purpose of rendering the financial statements materially misleading.

Disclosure

The Company seeks to provide fair, complete, accurate, timely and understandable disclosure in its reports and documents filed with, or submitted to, the SEC and in its other public communications. Each director or employee (expressly including the Company's principal executive officer, principal financial officer, principal accounting officer and controller) whose responsibilities include compiling, reviewing, filing, submitting or releasing such information must endeavor to meet this objective.

Company Funds and Property

Each individual is personally accountable for Company funds and property over which he or she has control. Purchases of products and services from suppliers must be made solely on the basis of quality, price, service and other relevant considerations. No Company funds or other property shall be used for any unlawful purpose, such as to secure special privileges or benefits through the payment of bribes or other illegal payments.

No director or employee may engage in any act that involves theft, fraud, embezzlement, misappropriation or wrongful conversion of any property, including Company property, regardless of whether or not such act could result in a criminal proceeding. This prohibition includes unauthorized use of the Company's communications equipment, computers and related facilities, or other Company assets, including proprietary information and trade secrets.

While on Company business, directors and employees also must adhere to the Company travel policy, including all policies and procedures relating to expense reporting and reimbursement.

Gifts, favors and entertainment may be given to others at Company expense only if they are consistent with law and accepted business practices and if they are of sufficiently limited value and in a form that could not reasonably be construed as a bribe or payoff. Gifts in the form of cash or its equivalent are prohibited. Likewise, secret commissions or other compensation to employees of customers or their family members or associates are strictly prohibited. Limited and reasonable use of Company-owned recreation facilities by non-employees may be appropriate depending on the circumstances.

Employees who are in positions of trust that handle the funds and accounts of the Company or with management responsibility for such tasks may, at the Company's sole discretion, be subject to periodic background checks at the Company's expense.

Safety and Health

Work place safety and health are paramount concerns and are conditions of employment at the Company. Employees are expected to adhere to applicable health and safety laws and regulations and all related Company policies designed to ensure safe working conditions.

Employees are also expected to adhere to the Company's drug and alcohol abuse policy.

Employees are responsible for working safely and are expected to participate actively in training, identifying and alerting management to potential hazards and unsafe practices.

Equal Opportunity and Harassment-Free Employment

The Company is an equal opportunity employer. The Company's policy is to select and place employees on the basis of qualifications for work to be performed, as required by applicable laws, without discrimination in terms of race, religion, national origin, color, sex, age, status as a qualified individual with a disability, or other status protected by law. The Company insists that all employees refrain from any act that is designed to cause or does cause unlawful employment discrimination with respect to any term or condition of employment.

The Company also is committed to providing a safe, secure, productive and healthy work environment free from harassment of any kind. The Company insists that all directors and employees refrain from any act that is designed to cause or does cause harassment or intimidation, including sexual harassment. The Company will not tolerate any form of harassment or intimidation.

Environmental and Product Compliance

The Company is committed to full compliance with national, state and local environmental laws and regulations at all operating facilities in the United States. The Company's environmental obligations include, but are not limited to, obtaining and maintaining all environmental permits and approvals required for the conduct of the Company's operations, the proper handling, storage and disposal of regulated materials, and timely and accurate submission of required reports to the proper government agencies.

Employees are expected to understand and act in accordance with their obligations under the environmental laws, including any new or modified obligations as they are established. The Company will ensure compliance with this policy through vigilant self-monitoring and the continual training, education, encouragement and, where necessary, discipline of employees at all levels.

The Company will not tolerate the falsification of data or the reporting of false information regarding environmental compliance within the Company or to government agencies.

The Company also is committed to full compliance with all laws and regulations governing its products. In the United States, this includes regulations issued by the Food and Drug Administration and the Consumer Product Safety Commission.

Competition and Contacts with Competitors

The concept of free and open competition underlies the antitrust laws in the United States and other countries where the Company conducts business. Compliance with such laws is mandatory. In the United States, the Sherman Act and its state law counterparts prohibit businesses from entering into agreements, expressed or implied, that unreasonably restrain trade.

Employees may not enter into discussions or agreements with competitors or suppliers that would in any way violate or be construed as a violation of such laws. For instance, there shall be no discussions with competitors regarding the pricing of products, terms and conditions of sale, credit terms, costs, product specifications, customer activities or similar items. Certain agreements are considered so inherently anti-competitive as to be criminal in nature (e.g. price fixing, bid rigging, customer or territorial allocation, group boycotts) and can result in the imposition of substantial monetary penalties and jail sentences.

If an employee believes that a legitimate business reason exists for business contact with an employee of a competitor, prior approval must be obtained from the Corporate Compliance Committee.

Securities and Insider Trading

The Company is committed to complying with federal and state securities laws and regulations that govern areas of disclosure by corporations and persons associated with them. It is important that neither directors nor employees in any way compromise the position of the Company with the disclosure ("leaking" or "tipping") of non-public information to outsiders or to other employees who do not require the information in the performance of their duties. No director or employee with knowledge of "inside" (non-public) information should use the information for his or her own benefit. This means that no director or employee may trade in Company securities when he/she has knowledge of material inside information except for regular, previously scheduled purchases under the Company's employee benefit plans.

Material information is any information that an investor might consider important in deciding whether to buy, sell or hold securities. Examples of some types of material information are financial results, financial forecasts, changes in dividends, possible mergers, acquisitions, joint ventures, other purchases or sales of or investments in companies, obtaining or losing important contracts, important product developments, major litigation developments and major changes in business direction.

Information is considered to be non-public unless it has been adequately disclosed to the public. Examples of effective disclosure include public filings with securities regulatory authorities and issuance of news releases, and may also include Company meetings with

members of the media and public. The information must not only be disclosed; there also must be adequate time for the market as a whole to digest the information.

If a director or employee has a question as to whether certain information is material or has been adequately disclosed to the public, the employee should contact the Corporate Compliance Committee and abstain from trading in the Company's securities or disclosing the information to people outside the Company until he or she has been informed that the information is not material or has been publicly disclosed and digested.

Dealing with Government Officials

All dealings with government officials, including but not limited to lobbying, political contributions to candidates, meetings with government agencies, communications with public officials and contracting with government agencies, shall be done in accordance with all applicable national, state and local laws.

No director or employee shall offer or promise a payment or reward of any kind, directly or indirectly, to any federal, state or local government official in order to secure preferential treatment for the Company or its employees.

No director or employee shall offer or promise a payment or reward of any kind, directly or indirectly, to a federal, state or local government official for or because of an official act performed or to be performed by that official.

No director or employee shall offer or promise any federal, state or local government official gifts, entertainment, gratuities, meals, lodging, travel or similar items that are designed to influence such official.

It is the policy of the Company to cooperate fully with all appropriate and reasonable government investigations. Accordingly, Company directors and employees shall comply with any and all lawful requests from government investigators and, consistent with preserving the Company's legal rights, shall cooperate in lawful government inquiries. No one shall make a false or misleading written or oral statement to a government official with regard to any matter involving a government inquiry into Company matters.

Directors and employees should contact the Corporate Compliance Committee when presented with any government request or inquiry. Directors and employees with questions about contacts with government officials should seek guidance from the Corporate Compliance Committee.

Individual directors and employees are free to participate in political activities or make personal political contributions, but may not use Company funds or other resources. No director or employee may make a political contribution on behalf of the Company without written permission of the Corporate Compliance Committee.

Confidential Information

In the normal course of business, there will be instances in which directors and employees may be entrusted with confidential or privileged information. That information most often will involve facts, plans or other aspects of the Company's business that are not in the public domain and will, on occasion, involve information that has been entrusted to the Company by customers, suppliers or others with whom the Company has a relationship.

All directors and employees possessing confidential information regarding the Company or any of its customers or suppliers have a duty not to disclose such information outside the Company or to employees who do not have a need to know such information or to use such information for personal gain.

All employees are expected to comply with the terms and conditions of any and all confidentiality, non-disclosure and patent agreements they sign when accepting employment.

Questions regarding what is or is not confidential or privileged information should be directed to the employee's supervisor or manager or the Corporate Compliance Committee.

Compliance and Reporting

The Company has appointed the Corporate Compliance Committee to ensure that these Standards and the Company's related policies will govern the business activities of all Company employees. The membership of the Corporate Compliance Committee shall consist of senior executives of the Company and will be published from time to time. Any employee who has questions about these Standards or how they apply in particular circumstances should seek guidance from his/her supervisor or manager, the Corporate Compliance Committee, or the designated Company resource for the particular topic at hand. Any director who has such questions should seek guidance from the Corporate Compliance Committee or the Nominating and Corporate Governance Committee of the Board.

Compliance with this and related policies is an ongoing duty of each employee and director. Employees should report any suspected non-compliance with these policies to their supervisor or manager or any member of the Corporate Compliance Committee, or through the compliance hotline described below. Directors should report suspected non-compliance to the Corporate Compliance Committee or the Nominating and Corporate Governance Committee. All reports will be fully and appropriately investigated. The Audit Committee will oversee treatment of employee concerns about accounting, internal accounting controls or auditing matters.

Employee concerns about questionable accounting or auditing matters will be kept confidential and may be made anonymously via the compliance hotline. On other matters, if requested, the Company will keep confidential the identity of the reporting individual and, to the extent possible, all disclosures made in accordance with these Standards.

Failure to comply with these Standards can have severe consequences for both the individuals involved and the Company. The Company will impose appropriate disciplinary action for violations of these Standards, including immediate termination of employment or, for directors, immediate removal by the Board. Disciplinary action will be taken:

- Against employees and directors who authorize or participate, directly, and in appropriate circumstances, indirectly, in actions which are in violation of these Standards or any related policies.
- Against employees and directors who fail to report a violation of these Standards or any related policy or who withhold any relevant information concerning a violation of which they became aware or should have become aware.
- Against the violator's supervisor, to the extent the circumstances of the violation reflect inadequate supervision or lack of diligence.
- Against any individual who attempts to retaliate, directly or indirectly, or encourages others to do so, against another individual who reports a violation or cooperates with an investigation of such violation.

Supervisors and managers will be evaluated in part on their effectiveness in implementing these policies in their respective departments. If an employee believes that a supervisor or manager to whom a suspected violation has been reported has not taken appropriate action, the employee should contact the Corporate Compliance Committee.

Any disciplinary action taken as a result of policy violations shall be reported to the Corporate Compliance Committee. This report will include a detailed review of the specific violation and the disciplinary action taken.

Only the Board of Directors or a committee of the Board may waive a violation of these Standards by a director or executive officer, and any such waiver shall be promptly reported to the Company's shareholders.

Training and Communication

The Company will periodically communicate the requirements of the policy to all directors and employees with appropriate training programs. At least annually, directors and employees will be required to provide written reaffirmation of their compliance with the policy.

The Company will also periodically communicate the requirements of this policy in writing to all vendors and other providers of business services.

Whistle Blower Protection

The Company will not discharge, demote, suspend, threaten, or in any other manner discriminate against an employee who provides information regarding conduct he or she reasonably believes may violate federal securities or anti-trust laws or any other aspect of the Standards of Business Conduct, or who assists in an investigation alleging a violation of such laws or the Standards. Submission of knowingly false reports, however, constitutes a violation of these Standards and will result in disciplinary action.

Compliance Hotline

Caraustar has implemented a compliance hotline to facilitate the timely reporting of any issues involving behavior in violation of these Standards of Business Conduct. The compliance hotline is maintained through an independent third party service provider, to guarantee confidentiality for anyone reporting such problems or issues. Employees and directors can call the 1-866-number shown below and speak anonymously to a specially trained agent who will receive the report, document all feedback, and provide a written summary to the designated Company resource for appropriate action.

Hotline Number

To report harassing behavior or other violations of the Standards of Business Conduct:

Call 1-866-834-1825



**Acknowledgement of Receipt of the
Standards of Business Conduct
January, 2009**

I acknowledge that I have received and read the Caraustar Standards of Business Conduct. I understand the standards and policies contained in the Caraustar Standards of Business Conduct and understand that there may be additional policies or laws specific to my position.

If I have questions concerning the meaning or application of the Caraustar Standards of Business Conduct, any Caraustar policies, or any of the other legal and regulatory requirements applicable to my position, I know that I should consult my manager, the Compliance Committee or, if applicable, the designated Company resource, with the knowledge that my questions or reports will be maintained in a confidential manner to the extent I so request.

I affirm that if I become aware of a possible violation of the Caraustar Standards of Business Conduct, I will promptly report it via the appropriate channels, as set forth in the Standards.

Name: _____

(Please print legibly)

Signature: _____

Assigned Work Location: _____

Date of Acknowledgement: _____