

# **BANTA CORPORATION**

## **CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors of Banta Corporation (the “Company”), acting on the recommendation of its Nominating and Corporate Governance Committee, has developed and adopted certain corporate governance principles (these “Guidelines”) establishing a common set of expectations to assist the Board and its committees in fulfilling their responsibilities to the Company’s shareholders to oversee the work of management and the Company’s results. These Guidelines are intended to ensure that the Board will have the necessary authority and practices in place to review and evaluate the Company’s business operations as needed. In recognition of the continuing discussions about corporate governance, the Board will review and, if appropriate, revise these Guidelines from time to time.

### **Role of the Board of Directors and Management**

The Company’s business is conducted by its employees, managers and officers, under the direction of the Company’s Chief Executive Officer (“CEO”) and under the oversight of the Board of Directors, to enhance the long-term value of the Company for its shareholders. The Board of Directors is elected by the Company’s shareholders to oversee management and to assure that the long-term interests of the shareholders are being served.

### **Responsibilities of the Board of Directors**

The Board of Directors reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. Directors are expected to attend scheduled meetings of the Board and the committees on which they serve. In addition to its general oversight of management, the Board (either directly or through its committees) also performs a number of specific functions, including:

1. Representing the interests of the Company’s shareholders in maintaining and enhancing the success of the Company’s business, including optimizing long-term returns to increase shareholder value;
2. Selecting, evaluating and compensating a well-qualified CEO of high integrity, and overseeing the CEO succession planning process;
3. Providing counsel and oversight on the selection, evaluation, development and compensation of senior management, including, with respect to the compensation of senior management, the review and approval of compensation plans and awards granted under those plans;
4. Reviewing and approving the Company’s fundamental financial and business strategies, including strategic plans, management development and succession plans, and financial and capital budgets;

5. Reviewing and evaluating the processes and policies in place to assess the major risks facing the Company, and periodically reviewing management's assessment of major risks, as well as the options for their mitigation;
6. Reviewing and assessing the processes and policies in place for maintaining the integrity of the Company, including the integrity of its financial statements, the integrity of its compliance with law and ethics, the integrity of its relationships with employees, customers and suppliers and the integrity of its relationships with other stakeholders; and
7. Providing general advice and counsel to the CEO and other senior management personnel in the performance of their duties.

### **Board Composition and Selection; Director Independence**

#### *Board Size*

Board size and composition will be set so that the Board will possess, in the aggregate, the strategic, managerial and financial skills and experience necessary to fulfill its duties and to achieve its objectives. The Board shall consist of no less than six and no more than twelve members. The specific number of Board members will be reviewed from time to time and adjusted as necessary and appropriate to promote the best overall interests of the Company and its shareholders.

#### *Board Leadership*

The Board of Directors shall elect a Chairman of the Board who shall have primary responsibility for scheduling Board meetings, calling special meetings when necessary, setting or proposing the agenda for each meeting, and leading the conduct of Board meetings, as well as for carrying out such other duties as are specified for such office in the Company's By-laws. This responsibility does not, however, diminish the responsibilities of each Board member to raise appropriate agenda items, or to propose meetings. In addition, a Presiding Director shall be designated to preside over each executive session of the Board of Directors. The role of the Presiding Director shall rotate periodically as determined by the Board.

#### *Communication with Directors*

Shareholders and other interested parties may communicate with the full Board of Directors, the Chairman of the Board, non-management directors as a group or individual directors, including the Presiding Director, by delivering a writing to the Secretary of the Company, 225 Main Street, Menasha, WI 54952. The written communication should be addressed to the specific director or directors whom the shareholder or interested party wishes to contact. Such communication will be delivered directly to the director or directors to whom it is addressed by the Secretary of the Company.

### *Selection of Board Members*

The Nominating and Corporate Governance Committee of the Board of Directors shall be responsible for applying such general and specific criteria for Board membership as shall have been approved by the Board of Directors. The criteria approved by the Board of Directors are set forth in Appendix A. Also, the Nominating and Corporate Governance Committee shall be responsible for evaluating on an ongoing basis all directors and director candidates based on such general and specific criteria and for seeking to assure that specific talents, skills and other characteristics that are needed to increase the Board's effectiveness are possessed by an appropriate combination of directors.

The Nominating and Corporate Governance Committee shall be responsible for identifying individuals qualified to become members of the Board, consistent with criteria approved by the Board, and shall recommend to the Board nominees to be members of the Board. The Nominating and Corporate Governance Committee, with the input of the Chairman of the Board and the CEO, will recommend to the Board of Directors (i) nominees for Board membership to fill vacancies or newly created directorships, (ii) the persons to be nominated by the Board for election by the Company's shareholders at annual or special meetings of shareholders, and (iii) committee assignments and rotation of committee members. The Board shall be responsible for selecting nominees to be members of the Board and for recommending them for election by the shareholders at annual or special meetings of shareholders.

The Nominating and Corporate Governance Committee will consider persons recommended by shareholders to become nominees for election as directors in accordance with the criteria set forth in these Guidelines and the Nominating and Corporate Governance Committee Charter. Recommendations for consideration by the Nominating and Corporate Governance Committee should be sent to the Secretary of the Company in writing together with appropriate biographical information concerning each proposed nominee. The Company's By-laws also set forth certain requirements for shareholders wishing to nominate director candidates directly for consideration by shareholders.

### *Independence of Directors*

A majority of the directors shall be independent directors as defined by the rules of the New York Stock Exchange, Inc. (the "NYSE").

Directors who do not meet the NYSE's independence standards also make valuable contributions to the Board and to the Company by reason of their experience and wisdom.

To be considered independent under the NYSE's rules, the Board must determine that a director does not have any direct or indirect material relationship with the Company or its affiliates (including, without limitation, subsidiaries in the Company's consolidated group). The Board has established the categorical standards set forth in Appendix B to assist it in determining director independence.

The Board shall undertake an annual review to evaluate the independence of all non-employee directors. In advance of the meeting at which this review occurs, each non-employee director shall be asked to provide the Board with full information regarding the director's

business and other relationships with the Company and its affiliates and with senior management and their affiliates to enable the Board to evaluate the director's independence.

#### *Term Limits, Retirement Policy and Change of Status*

The Board of Directors believes it is generally appropriate to require directors to retire from Board service no later than reaching the age of 70 or the completion of 15 years of service as a non-employee director.

As a general policy, the CEO and other senior executives of the Company who are Board members will resign from the Board upon the termination of their employment with the Company. However, the Board may ask the former CEO to remain on the Board if it believes that an exception to this policy is in the best interests of the Company and its shareholders. A director who experiences a significant change in status (including retirement, change in job responsibilities or election to an additional for-profit board of directors) from that when the director was most recently elected to the Board shall inform the Board of such change in status and offer to tender his or her resignation as a member of the Board, which offer shall either be accepted or rejected by the Board within a reasonable period of time.

The CEO shall not serve on the board of any for-profit entity without the consent of the Board of Directors.

#### **Executive and Private Sessions of the Board**

Normally, members of senior executive management who are not members of the Board of Directors will participate in Board and committee meetings to present information, make recommendations, and be available for direct interaction with Board members.

However, the Board of Directors will have at least two regularly scheduled meetings a year for the non-employee directors without members of the Company's management being present; such meetings may occur either independent of or in conjunction with regularly scheduled meetings of the Board of Directors. The non-employee directors may meet without management present at such other times as they determine appropriate. In addition, the Board of Directors will have at least one regularly scheduled meeting each year that is limited to independent directors.

#### **Board Committees**

The Board of Directors shall at all times have an Audit Committee, Nominating and Corporate Governance Committee and a Compensation Committee, each comprised solely of independent directors. In addition, the Board of Directors shall at all times have an Executive Committee, which shall be comprised of a majority of independent directors. The Board shall evaluate and determine the circumstances under which it will form or disband other committees.

In addition to the requirement that a majority of the Board satisfy the independence standards discussed above, members of the Audit Committee must also satisfy any additional independence requirements imposed by the NYSE or the Securities and Exchange Commission.

Specifically, directors serving on the Audit Committee may not directly or indirectly receive any compensation from the Company other than the fees they receive for serving as directors.

Committee chairs shall be recommended by the Nominating and Corporate Governance Committee in consultation with the Chairman of the Board and the CEO, and approved by the Board. Committee chairs will be responsible, in consultation with the Chairman of the Board and the CEO, for scheduling committee meetings, setting meeting agendas, leading the conduct of each meeting, reporting the committee's findings and making recommendations to the full Board, and presenting resolutions requiring Board action.

### **Committee Assignment and Rotation**

The Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board and the CEO, will recommend committee assignments and committee rotation to the entire Board for final approval. Board members will rotate between committees from time to time as the Board deems appropriate.

### **Number and Scope of Board and Committee Meetings**

The Board of Directors will meet at least five times per year, including in connection with the Annual Meeting of Shareholders. Committees of the Board will meet as needed. Each director is expected to attend meetings of the Board of Directors and any committee(s) of which he or she is a member and to review all meeting materials circulated prior to each meeting. Board members are also expected to attend the Company's annual meeting of shareholders each year.

Each Board meeting will include a financial and operating review. In addition, at least once annually, the Board will devote substantial time to reviewing the following matters: senior executive succession planning; the personal objectives and performance of the CEO; corporate controls and financial reporting policies and procedures (in consultation with the Audit Committee); the Board's effectiveness; and the Company's overall business strategy and strategic plan.

### **Director Compensation**

Non-employee directors and committee chairs shall receive reasonable compensation for their services, as may be determined from time to time by the Board of Directors upon recommendation of the Compensation Committee. Compensation for non-employee directors and committee chairs shall be consistent with the market practices of other similarly situated companies. The Compensation Committee of the Board shall periodically review and report to the Board with respect to director compensation and benefits.

Directors who are employees of the Company shall receive no additional compensation for serving as directors.

Directors who are members of the Audit Committee may receive no compensation from the Company other than the fees they receive for serving as directors.

## **Director Access to Management and Independent Advisors**

The Board of Directors is expected to be interactive with members of the Company's senior management, and the Board and its individual members shall have access to individual senior executives of the Company. The Company also maintains an environment that permits senior managers to contact Board members directly.

It is policy of the Board that executive officers and other members of senior management who report directly to the CEO be present at Board and/or committee meetings at the invitation of the Board or committee members. The Board encourages such executive officers and senior management to make presentations or to include in discussions at Board meetings managers and other employees who (i) can provide insight into the matters being discussed because of their functional expertise and/or personal involvement in such matters and/or (ii) are individuals with high potential whom such executive officers and senior management believe the directors should have the opportunity to meet and evaluate.

Directors are authorized to consult with independent advisors, as is necessary and appropriate, without consulting management.

## **Ethics and Conflicts of Interest**

The Board of Directors expects the Company's directors, as well as its officers and employees, to act ethically at all times. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the CEO and the Chairman of the Board. If a significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board shall resolve any conflict of interest question involving any director or executive officer of the Company, and the CEO shall resolve any conflict of interest issue involving any other officer of the Company.

## **Director Orientation and Continuing Education**

The Board of Directors shall ensure that an orientation program for newly elected directors is implemented. The Nominating and Corporate Governance Committee shall oversee and maintain the orientation program implemented by the Board.

Directors are required to continue educating themselves with respect to various matters, including domestic and international markets, accounting and finance, leadership, crisis response, industry practices, general management, and strategic planning.

## **Management Succession and CEO Compensation**

The Board of Directors shall develop and maintain an appropriate succession plan with respect to the position of CEO. The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board about succession planning. The Nominating and Corporate Governance Committee also shall recommend to the Board succession plans in the event of an emergency or the retirement of the CEO.

The Compensation Committee is responsible for establishing annual and long-term performance goals for the CEO and for evaluating his or her performance against such goals.

### **Annual Performance Self-Assessment of the Board**

The Board of Directors will conduct a self-assessment at least annually to determine whether it and its committees are functioning effectively.

### **Stock Ownership by Board Members**

Each non-employee director is expected to hold shares of the Company's common stock (or corresponding phantom shares) with an aggregate value of at least three times the then current annual retainer fee paid to directors for Board service. A newly elected non-employee director will have three years in which to reach the ownership threshold in effect at the time of his or her election to the Board. In the event of an increase in the retainer fee paid by the Company for Board service, the non-employee directors will have three years to reach the corresponding new ownership threshold. Employee directors will be subject to the stock ownership guidelines established for executive officers of the Company.

### **Limitation**

Nothing in these Guidelines is intended to expand the fiduciary obligations of Board members beyond those provided for under applicable law.

## APPENDIX A

### CRITERIA FOR DIRECTOR NOMINEES

In making recommendations to the Company's Board of Directors of nominees to serve as directors, the Nominating and Corporate Governance Committee will examine each director nominee on a case-by-case basis regardless of who recommended the nominee and take into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills or financial acumen, diversity of viewpoint and industry knowledge. However, the Board of Directors believes the following minimum qualifications must be met by a director nominee to be recommended by the Nominating and Corporate Governance Committee:

1. Each director must display the highest personal and professional ethics, integrity and values.
2. Each director must have the ability to exercise sound business judgment.
3. Each director must be accomplished in his or her respective field, and have broad experience at the administrative and/or policy-making level in business, government, education, technology or public interest.
4. Each director must be independent of any particular constituency, be able to represent all shareholders of the Company and be committed to enhancing long-term shareholder value.
5. Each director must have sufficient time available to devote to activities of the Board of Directors and to enhance his or her knowledge of the Company's business.

The Board of Directors also believes the following qualities or skills are necessary for one or more directors to possess:

1. At least one director should have the requisite experience and expertise to be designated as an "audit committee financial expert" as defined by applicable rules of the Securities and Exchange Commission.
2. One or more of the directors generally should be active or former chief executive officers of public companies or leaders of major complex organizations, including commercial, scientific, government, educational and other similar institutions.
3. Directors should be selected so that the Board of Directors represents diverse backgrounds and perspectives.

## APPENDIX B

### CRITERIA FOR DETERMINING DIRECTOR INDEPENDENCE

The Board of Directors has established categorical standards to assist it in making determinations of director independence. Under these categorical standards, a director will be considered independent unless:

1. the director is, or has been within the last three years, an employee of the Company, or an immediate family member of the director is, or has been within the last three years, an executive officer of the Company; provided, however, that employment as an interim Chairman or Chief Executive Officer or other executive officer shall not disqualify a director from being considered independent following that employment;
2. the director has received, or has an immediate family member who has received, in any twelve-month period within the last three years, more than \$100,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided that such compensation is not contingent in any way on continued service with the Company); provided, however, that compensation received by a director for former service as an interim Chairman or Chief Executive Officer or other executive officer of the Company need not be considered in determining independence under this test; and provided, further, that compensation received by an immediate family member of the director for service as an employee of the Company (other than an executive officer) need not be considered in determining independence under this test;
3. (A) the director or an immediate family member of the director is a current partner of a firm that is the Company's internal or external auditor; (B) the director is a current employee of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time;
4. the director or an immediate family member of the director is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee;
5. the director is a current employee, or an immediate family member of the director is a current executive officer, of another company (other than a tax exempt organization) that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues; provided, however, that in applying this test, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year; and provided, further, that this

test applies solely to the financial relationship between the Company and the director's (or immediate family member's) current employer—the Company need not consider former employment of the director or immediate family member.

6. the director, or an immediate family member of the director, was an executive officer of another company that was indebted to the Company, or to which the Company was indebted, and the total amount of either company's indebtedness to the other in any of the last three fiscal years was greater than 2% of the total consolidated assets of the company for which the director, or an immediate family member of the director, served as an executive officer; or
7. if a director, or an immediate family member of the director, served as an officer, director or trustee of a tax exempt organization, and the Company's discretionary charitable contributions to the organization in any of the last three fiscal years was greater than 2% of that organization's consolidated gross revenues.

For purposes of the foregoing, an "immediate family member" shall be deemed to include a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home; provided, however, that when applying the three-year "look-back" provisions of the foregoing tests, the Company need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

For relationships not covered by the categorical standards set forth above, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the directors who satisfy the categorical standards set forth above. The Company must identify which directors are independent and disclose the basis for that determination in the next proxy statement.

In addition, the Company shall disclose in its annual proxy statement any contributions made by the Company to any tax exempt organization in which any independent director serves as executive officer if, within the preceding three years, contributions in any single year from the Company exceeded the greater of \$1 million, or 2% of such charitable organization's consolidated gross revenues.

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