

Checkpoint Systems, Inc.

Corporate Governance Guidelines

A. THE ROLE OF THE BOARD OF DIRECTORS

1. Direct the Affairs of the Company for the Benefit of Shareholders

The Board believes that the primary responsibility of directors is to oversee the affairs of the Company for the benefit of shareholders. The Board agrees that day-to-day management of the Company is the responsibility of management and that the role of the Board is to oversee management's performance of that function. The responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders.

2. Ethical Business Environment

The Board believes that the long-term success of the Company is dependent upon the maintenance of an ethical business environment that focuses on adherence to both the letter and the spirit of regulatory and legal mandates. The Board expects management will conduct operations in the manner supportive of the Board's view.

3. CEO Performance Evaluation

The Board believes that CEO performance should be evaluated annually and related to his or her progress toward long term goals and strategies as well as current year results as a regular part of any decision with respect to the CEO's compensation. The Board, after approval of the CEO's annual goals, has delegated responsibility to the Lead Director and Compensation Committee to evaluate the CEO's performance in light of such goals and to approve the CEO's salary, bonus and long-term incentives such as stock and option awards.

The Board believes that evaluation of the CEO should be an objective process, based on both qualitative and quantitative factors, including performance of the business, accomplishment of long-term objectives, positioning of the Company for the future, development of management and leadership in the industry.

4. Succession Planning

The Board and the Governance and Nominating Committee share the responsibility for succession planning. The Board has delegated responsibility to the Governance and Nominating Committee to review and advise on management succession issues, including making recommendations to the full Board for selection of a new CEO.

5. Compensation of Other Executive Officers

The Board has delegated oversight of compensation and benefit plans to the Compensation Committee under a charter approved by the Board which includes periodic reporting to the Board. The Compensation Committee independently establishes the compensation and benefits programs for key executive officers.

B. MEETINGS OF THE BOARD OF DIRECTORS

1. Selection of the Chairman of the Board

The Chairman of the Board may be an officer/director or a non-management director and may or may not be the same individual as the CEO, at the option of the Board. The Board is free to make this determination depending on what it believes is best for the Company in light of all the circumstances.

2. Lead Director

The Board may formally appoint a “lead director.” The lead director will assume the responsibilities of chairing any meeting of non-management directors at which the Chairman and CEO is/are not in attendance, to lead the discussion of a particular matter.

3. Frequency of Meetings

The Board believes that the number of scheduled Board meetings should vary with circumstances and that special meetings or meetings of the Executive Committee should be called as necessary. While the Board recognizes that directors discharge their duties in a variety of ways, including personal meetings and telephone contact with management and others regarding the business and affairs of the Company, the Board feels it is the responsibility of individual directors to make themselves available to attend both scheduled and special Board and committee meetings on a consistent basis. There will be a minimum of four Board meetings annually.

4. Executive Sessions of Non-Management Directors

The Board believes that non-management directors should have the opportunity to meet in executive session during Board meetings. It is the policy of the Board for non-management directors to meet in executive session at least four times per year. The lead director will preside during executive sessions.

5. Access to Management

Board members shall have reasonable access to management. The Board and each committee shall have the authority to hire independent legal, financial or other advisors as they may deem necessary, at the expense of the Company.

#### 6. Attendance of Non-Directors at Meetings

The Chairman or CEO has discretion to invite such members of management as the Chairman or CEO deems appropriate to attend the Board meetings, subject to the Board's right to request that such attendance be limited or discontinued.

The Board believes it is important for directors to have exposure to the Company's key senior officers and believes their limited attendance at and participation in Board meetings may be helpful.

#### 7. Agendas and Presentations

The Board believes the Chairman of the Board should establish the agenda for each Board meeting, taking into account suggestions of Board members.

### C. BOARD STRUCTURE

#### 1. Non-Management Directors

Non-management director means a director who is not a member of management and has not been a member of management for the past three years, has no close family or similar relationship with a member of key management and is not affiliated with a company or firm which has any material financial relationship with the Company.

#### 2. Size of the Board

The Board presently has eight non-management members. The Company's Bylaws permit the Board to have not less than three nor more than eleven Directors. The Board and the Governance and Nominating Committee periodically review the appropriate size of the Board, which may vary to accommodate the availability of outstanding director candidates or the Board's changing needs and circumstances.

#### 3. Director Retirement Age and Term Limits

The Board does not have a mandatory retirement age or term limit.

#### 4. Director Appointments

The Board believes that directors should be nominated for Board approval by the Governance and Nominating Committee of the Board, which consists entirely of independent directors. Any director(s) added to the Board to fill vacancies shall stand for shareholder election at the next annual meeting of shareholders.

The Company does not set specific criteria for directors but believes that candidates should show evidence of leadership in their particular field, have broad experience and the ability to exercise sound business judgment, possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the shareholders. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities

effectively, and should be committed to serve on the Board for an extended period of time.

5. Director Independence

A majority of the directors will be independent directors under the New York Stock Exchange (NYSE) rules as in effect from time to time.

The Board has adopted categorical Director Independence Standards to assist it in making a determination of independence. The Board will periodically review the Director Independence Standards.

In addition to the requirement that a majority of the board satisfy the independence standards discussed above, members of the Audit Committee and the Compensation Committee must also satisfy additional requirements discussed in their charters.

6. Director, Board and Committee Evaluations

The Board believes that the Governance and Nominating Committee should review the performance of incumbent directors prior to their re-election. The Board expects the Governance and Nominating Committee to recommend appropriate action to effect changes in incumbent directors if, in the opinion of the Governance and Nominating Committee after discussion with the Chairman of the Board and CEO (if the Chairman is not the CEO), it would be in the best interest of the Company and its shareholders to effect such change.

7. Director Compensation

The Board believes that the level of director compensation generally should be competitive with that paid to directors of other corporations of similar size and complexity. The Board also believes that director compensation should be tied, in part, to corporate performance.

8. Mandatory Holding Period for Restricted Stock

It is the Company's policy that each executive officer and director of the Company shall be subject to a mandatory holding period after vesting for any restricted stock awards issued by the Company. Each executive officer and director must hold the restricted stock for a period of at least six months after vesting.

## 9. Service on Other Boards

No director is permitted to serve on the board of directors of more than three public companies. The CEO is limited to the number of boards he is permitted to sit on to two public boards. There shall be no limit imposed on the number of non-public boards a Director or CEO may sit on.

## 10. Director Change in Employment Position

Individual directors shall submit their resignation upon a change in their principle employment position.

## 11. Director Continuing Education

A majority of the Board members shall participate in director education program(s) during any two year period.

## D. COMMITTEES OF THE BOARD

### 1. Number and Types of Committees

The Board believes that committees should be created and disbanded depending on the particular interests of the Board, issues facing the Company and legal requirements. The current standing committees of the Board (that is, committees expected to operate over an extended period) are the Audit Committee, the Compensation Committee and the Governance and Nominating Committee. The Governance and Nominating Committee is primarily responsible for making recommendations to the full Board on the committee structure, but directors are free to make suggestions regarding committees at any time and are encouraged to do so.

### 2. Assignment and Rotation of Committee Members

The Board believes that the Chairman, in conjunction with the Lead Director, should recommend committee appointments for approval of the full Board. The Board expects that assignments would be made within the following guidelines: assignments may be rotated periodically, though not necessarily within any specified time frame; the Audit Committee, the Compensation Committee and the Governance and Nominating Committee should be comprised solely of independent directors; and committee assignments must comply with any NYSE qualifications.

### 3. Committee Reports

Reports of committee meetings are submitted to the full Board following each committee meeting. Committee chairs are offered the opportunity to comment on committee activities at each Board meeting.