CHESAPEAKE CORPORATION

CORPORATE GOVERNANCE CONCEPTS AND POLICIES

TABLE OF CONTENTS

CHESAPEAKE CORPORATION BOARD OF DIRECTORS

I. Structure.

A. The Board of Directors should be of a size that allows a free exchange of ideas and the full involvement of all directors. To permit those actions, the appropriate size for the Board of Directors is eight to twelve directors.

B. In order to permit an effective transition, the size of the Board may be increased or decreased within the range from time to time to prepare for retirements or when a particularly well-qualified individual is available to be elected to the Board.

C. Diversity among Board members is desirable when diversity can provide relevant differing perspectives which are helpful to the work of the Board. Diversity should include directors of different races, ethnicity, sex and nationalities.

D. All Directors are expected to be stockholders. The objective for share ownership by each director is 5,000 shares. To facilitate achievement of this objective, no director shall, without the consent of the Corporate Governance and Nominating Committee, while in office, sell, transfer or assign, subject to the following exceptions, shares or options for shares granted under the provisions of the Directors' Stock Option and Deferred Compensation Plan or the 2005 Incentive Plan, unless and until the director has beneficial ownership of at least 5,000 shares, except that (a) shares may be assigned or transferred to a person or entity if the shares will be deemed to be included in the beneficial ownership of shares by the director, (b) shares may be withheld for payment of taxes and (c) shares may be sold in a cashless stock option exercise to the extent reasonably necessary to pay the option exercise price.

E. The Board shall from time to time elect a Chairman and a Chief Executive Officer. The Board has no policy on whether the Chairman and the Chief Executive Officer should, or should not, be the same person or, if they are separate, whether the Chairman should be a non-executive.

F. The Chief Executive Officer should be a Director. In most cases, if there is a Chief Operating Officer, the Chief Operating Officer should also be a Director. Additional members of management should be Directors only in special circumstances. In no event shall more than three directors not be Outside Directors nor shall a majority of Directors not be "Independent Directors" (as defined by the rules of the New York Stock Exchange and determined as provided in the Corporate Governance Concepts and Policies).

G. The Board of Directors shall not less than annually review the relationships of the Directors, their immediate family members and their affiliates, with the Corporation and determine which Directors and nominees for director are "independent." The findings of independence, or lack thereof, and the basis for such findings, shall be disclosed in the Corporation's proxy statement. Each Director shall make full and continuous disclosure to the Chairman and the Corporate Secretary of any relationships the Director or a family member or affiliate may have with the Corporation which could be relevant to whether the Director is "independent."

A director or nominee will be considered "independent" if the director or nominee (a) has no relationship that, applying the rules of the New York Stock Exchange, would preclude a finding that he or she is "independent," (b) has no material relationship, directly or as a partner, shareholder or officer of an organization, with the Corporation or any executive officer of the Corporation or any of their respective affiliates, and (c) has no other relationship, whether or not required to be disclosed by securities laws, that would, in the judgment of the Board of Directors, make him or her not "independent."

II. Board Committees.

A. The current committees (Executive, Independent Directors, Corporate Governance and Nominating, Audit and Executive Compensation) established by the bylaws are adequate for the current purposes of the Corporation and the Board. From time to time, additional ad hoc committees may be established as needed.

B. In electing members of Board committees, a rotation of members is desirable to bring fresh ideas to the work of the respective committees. Some Directors may have individual skills or interests which are particularly suited to specific committees and those Directors should not be rotated. Absent some particular consideration specifically determined in the discretion of the Board of Directors, no Director should serve on the Audit Committee, the Corporate Governance and Nominating Committee or the Executive Compensation Committee for more than four (4) consecutive full annual terms.

C. If the Chief Executive Officer serves on the Board of Directors of another corporation, the Chief Executive Officer of that other corporation shall not serve on the Chesapeake Corporation Executive Compensation Committee. Chesapeake Corporation's Chief Executive Officer shall not serve on the Executive Compensation Committee of the Board of Directors of any other Corporation whose Chief Executive Officer also serves as a director of Chesapeake Corporation.

D. If any director serves on the audit committee of three or more public companies, the director shall not be elected to the Chesapeake Corporation Audit Committee without an express determination by the Board of Directors that the simultaneous service of the director on four or more audit committees of public companies will not impair the ability of the director to effectively serve on the Audit Committee of the Corporation.

III. Board Meeting Structure.

A. The work of the Board can generally be accomplished with approximately four regular meetings a year and the Annual (Organizational) Meeting. Meetings of the Board and its committees should be scheduled far enough in advance so that Directors can avoid conflicts with their individual schedules.

B. At least one regular Board meeting each year should be held outside the United States to permit the Directors to see operating facilities and to meet and interact with employees of the Corporation.

C. Regular Board meetings will usually last three to four hours. Meetings may be scheduled to last longer when the subjects to be discussed are expected to require additional time or when the meeting is in conjunction with a visit to an operating location. Meetings consisting largely of administrative matters or to primarily address a single issue may be conducted in an appropriate abbreviated manner.

D. The Board meeting format and agenda should be flexible to suit the work needs of the Board.

E. Regular attendance at the annual stockholders meeting and at Board and Board committee meetings in person for the full duration of the meeting is expected. Attendance at meetings by telephone or other electronic means permitted by the bylaws or Virginia law should be the exception. Attendance by telephone or other electronic means may be appropriate in specific instances when the Chairman of the Board or Board committee determines that the business expected to be conducted at the meeting does not justify attendance in person.

F. Meeting agendas will be determined by the Chairman in consultation with the Chairman of the Committee of Independent Directors or the Chief Executive Officer, and should generally allow for the most important matters to be considered early in the meeting.

G. In advance of each Board meeting, management shall provide the Directors with adequate information regarding the Corporation's performance and the matters to be discussed at the meeting. When possible, reports on financial and operating performance should be presented with comparisons to the business plan and/or a relevant prior period. Directors are expected to review the materials provided in advance of the meeting before the meeting starts.

H. Directors shall have complete direct access to members of management. Directors should use good judgment not to unreasonably distract managers from their business responsibilities, and the Chief Executive Officer should be provided copies of any written communications directly with management. Board Committee chairmen are expected to have more frequent direct contact with appropriate members of management in connection with Board committee meetings and all Directors are expected to have direct contact with the Corporate Secretary and/or General Counsel from time to time, as appropriate.

I. Directors shall maintain as confidential non-public information they receive concerning the Corporation.

IV. Committee Meeting Structure.

A. Each Board Committee shall develop and present to the Board for approval a committee charter. Each Committee shall review its committee charter at least annually.

B. To the extent possible, Board committee meetings should be clustered with Board meetings to reduce travel time and expense.

C. The Chairman of the Committee of Independent Directors shall be notified of all meetings of the Audit, Executive, Executive Compensation and Corporate Governance and Nominating Committees, and is expected to attend such meetings with voice, but not vote.

D. The Committee of Independent Directors shall meet in conjunction with each regular meeting of the Board and may also meet at other times if needed.

E. The Committee of Independent Directors will serve as "general purpose safety valve" to insure that there is a formally established forum where the Independent Directors can address issues in the interest of stockholders outside the presence of present or former members of management. It is understood that, for all matters that are not the exclusive charge of the Committee of Independent Directors, an issue should generally be raised with the Committee of Independent Directors only after the Director has raised the issue with the full Board of Directors and failed to achieve satisfaction. Since the Chief Executive Officer is directly responsible for the Corporation's strategy, strategy should generally be discussed by the Committee of Independent Directors only with the Chief Executive Officer present.

G. The Executive Committee should meet sparingly. Under no circumstances will the Executive Committee be utilized as a "preview" forum for future Board meetings or to create an appearance of a two-tiered Board.

V. Administration.

A. A Director who retires from his primary employment, or whose employer or job responsibilities change materially after being elected to the Board of Directors, shall volunteer to resign from the Board to provide the Corporate Governance and Nominating Committee an opportunity to review the appropriateness of continued Board membership. Retirement or a change in employer or job responsibilities for a Director do not necessarily indicate acceptance of a resignation from the Board is appropriate, but the Corporate Governance and Nominating Committee shall review the situation and provide a recommendation to the Board for a decision to accept the resignation if the Corporate Governance and Nominating Committee concludes that it may not be appropriate for the Director to continue to serve as a Director.

B. Outside Directors shall notify the Corporate Secretary and the Chairman of the Corporate Governance and Nominating Committee and obtain the consent of the Committee prior to accepting nomination or election as a director of another company or a significant leadership position with a charitable or civic organization. The Committee shall review the appropriateness of the director serving as a director of the additional company or in the leadership position, including an examination of potential conflicts of interest and in the projected effect of service on the director's ability to perform his duties as a director of Chesapeake. The Committee may approve the request or provide a recommendation to the Board for its determination of whether or not to approve the request.

C. The Board shall receive a report annually from the Corporate Governance and Nominating Committee regarding the evaluation of the performance of the Board and the individual Directors, and engage in a regular process of objective self evaluation as a group and as individual Directors.

D. There shall be no term limits for Directors.

E. The Board of Directors shall adopt a code of conduct for the principal executive officer and senior financial officers and enforce such code of conduct, including amending the code of conduct and granting waivers, as appropriate. The Board of Directors shall adopt such other general or specific ethics and conduct standards and policies, as it may deem appropriate and shall oversee, directly or through delegated authority, enforcement of the same, including amending such ethics and conduct standards and policies and granting, directly or through delegated authority, waivers of the same. A waiver for a director or executive officer as to the provisions of codes of conduct applicable to such director or executive officers shall be granted only by the majority vote of a majority of the disinterested directors present and voting at a meeting.

F. No loans or other extensions of credit shall be made by the Corporation to any director or executive officer in violation of applicable law.

G. Each newly elected Director shall participate in an orientation prior to, or within not more than sixty (60) days following, election as a Director. The Corporate Secretary shall coordinate the orientation, which shall include, but not be limited to, information on Board organization and operation, legal duties and responsibilities of directors of a Virginia corporation, Board and corporate policies applicable to Directors, corporate structure and organization, and significant accounting and financial reporting policies and procedures.

VI. Compensation.

A. Compensation for Directors, in the aggregate, should be competitive with compensation provided by other similarly situated manufacturing corporations so as to be a positive factor in attracting and retaining desirable Directors.

B. Compensation should include cash compensation in the form of a retainer and meeting fees, with a portion of total compensation in the form of stock options, stock grants or performance shares in order to more closely align the Directors' interests with those of the stockholders.

C. Compensation for Directors shall be reviewed annually by the Corporate Governance and Nominating Committee which shall recommend any changes in compensation for approval by the Board of Directors.

D. Reasonable travel expenses for Directors will be reimbursed by the Corporation.

E. A Directors' Deferred Compensation Plan should be available.-

F. A retirement plan for Outside Directors to replace the plan which was terminated in 1997 is not appropriate.

CHESAPEAKE CORPORATION

CHAIRMAN OF THE BOARD

SUMMARY

The Chairman of the Board provides leadership to the Board of Directors in discharging its duties and acts as liaison among the stockholders, the Board and the Corporation.

POSITION RESPONSIBILITIES

A. Preside at all meetings of the stockholders, the Board of Directors and the Executive Committee. Conduct Board meetings so that the work of the Board is done in the most constructive and efficient manner possible with an atmosphere of openness and consideration.

B. Prepare, in consultation with the CEO and Chairman of the Committee of Independent Directors, agenda for meetings of the Board of Directors utilizing input from other directors and management.

C. Ensure that adequate information is provided to the Directors so that they can properly discharge their duties.

D. In consultation with the Chairman of the Committee of Independent Directors, nominate directors to serve on the various committees of the Board of Directors and to chair said committees for election by the Board.

E. Perform annually, in consultation with the Chairman of the Committee of Independent Directors, an analysis of the performance of the Board of Directors as a whole. Communicate the results of this work to the full Board with the intent of continuously improving the performance of the Board.

F. Establish procedures to govern the Board's work.

G. Schedule meetings of the Board and works with committee chairmen to coordinate the schedule for meetings of Board committees.

H. Exemplify the high ethical standards of the Corporation.

CHESAPEAKE CORPORATION

CHIEF EXECUTIVE OFFICER

SUMMARY

The Chief Executive Officer (President) of the Corporation is responsible for directing the business to achieve the mission of the Corporation; establishing current and long-range strategies, objectives, plans and policies subject to the approval of the Board of Directors; and representing the Corporation with its major customers, the financial community, the government and the public. The Chief Executive Officer is responsible to the Board of Directors for assuring the profitability, growth, high ethical standards and favorable image of the Corporation.

RESPONSIBILITIES:

A. Be the chief strategy officer for the Corporation.

B. Be the Corporation's leader in developing, communicating and supporting the Corporation's vision, mission, strategy, goals and objectives, and financial benchmarks after they have been approved by the Board of Directors.

B. Develop the organization to accomplish the strategy and encourage the creation in the Corporation of a thriving community of creative and innovative people.

C. Support innovation of all forms (technological, human, organizational, etc.) across the Corporation by encouraging employees to think, gather and analyze information, visit other facilities (especially those of customers), or utilize appropriate specialists/consultants.

D. Insure the adequacy and soundness of the Corporation's financial structure and financial controls, and make sure that policies and procedures are in place to protect the Corporation's assets.

E. Recommend the allocation of appropriate capital for the Corporation's operating units.

F. Serve as the spokesman for the Corporation for all contacts involving attempts to takeover or acquire the Corporation.

G. Support the establishment and maintaining of outstanding customer, community and governmental relations.

H. Represent the Corporation with major customers and in trade and civic organizations where senior management representation is beneficial to the Corporation.

I. Consult with the Chairman of the Board or the Chairman of the Committee of Independent Directors on agenda for meetings of the Board of Directors.

J. Exemplify the high ethical standards of the Corporation.

CHESAPEAKE CORPORATION

EXECUTIVE COMMITTEE

CHARTER

The Executive Committee is a committee of the Board of Directors according to Article V, Sections 1 and 2 of the bylaws of the Corporation, which state, the Executive Committee shall consist of three (3) or more Directors, including the Chairman of The Board of Directors and President. The Chairman of the Board shall be the Chairman of the Executive Committee. The members of the Executive Committee shall serve until their successors are designated by the Board of Directors or until removed or until the Executive Committee is dissolved by a majority vote of the number of Directors fixed from time to time in the bylaws. Except as otherwise provided by the Articles of Incorporation or the bylaws, the Executive Committee, when the Board of Directors is not in session, shall have all powers vested in the Board of Directors by law, by the Articles of Incorporation or by the bylaws; provided, that the Executive Committee shall not have the authority to take any action that may not be delegated to a committee under the Virginia Stock Corporation Act. The Executive Committee shall report at the next regular or special meeting of the Board of Directors on all action it has taken since the last regular or special meeting of the Board of Directors.

PROCEDURE GUIDELINES:

1. The Executive Committee will meet sparingly. Under no circumstances will the Executive Committee be utilized as a “preview” forum for future Board meetings or to create an appearance of a two-tiered Board.

2. The Committee will promptly and regularly report its actions to the Board of Directors.

CHESAPEAKE CORPORATION

COMMITTEE OF INDEPENDENT DIRECTORS

CHARTER

The Committee of Independent Directors is a committee of the Board of Directors according to Article V, Section 3 of the bylaws of the Corporation, to (a) at least annually evaluate the performance of the Chief Executive Officer and determine and approve the compensation of the Chief Executive Officer, (b) evaluate the performance of the Chairman of the Board, (c) recommend, when appropriate, a successor for the Chairman of the Board and the Chief Executive Officer, (d) in consultation with the Chairman of the Board and the Chief Executive Officer, consider and make recommendations to the Board of Directors for the election of the other officers of the Corporation and (d) perform such other duties as may be delegated to the Committee of Independent Directors by the Board of Directors. The Committee of Independent Directors shall consist of all of the directors who qualify as "Independent Directors" as defined in the rules and regulations of the Securities and Exchange Commission and the rules of the New York Stock Exchange, and who have been determined by the Board of Directors in accordance with the Corporate Governance Concepts and Policies to be "independent." The Committee of Independent Directors shall at the annual meeting of the Board of Directors elect from its number by a majority vote of the number of Independent Directors a Chairman of the Committee of Independent Directors who shall preside at meetings of the Committee of Independent Directors and perform such other duties as may be assigned by the Committee of Independent Directors. No Director shall be elected Chairman of the Committee of Independent Directors for more than three (3) consecutive annual terms, provided that a director shall be eligible for election as Chairman if he has not served as Chairman during the immediately preceding eleven (11) months.

The Committee of Independent Directors will meet routinely in conjunction with regular Board of Directors meetings and may meet at other times, if appropriate. The Committee of Independent Directors will serve as "a general purpose safety valve" to insure that there is a formally established forum where Independent Directors can address issues in the interest of stockholders outside the presence of present or former members of management. It is understood that for all matters that are not the exclusive charge of the Committee of Independent Directors, an issue should generally be raised with the Committee of Independent Directors only after the Director has raised the issue with the full Board of Directors and failed to achieve satisfaction. Since the Chief Executive Officer is directly responsible for the Corporation's strategy, strategy should generally be discussed only when the Chief Executive Officer is present.

PROCEDURE GUIDELINES:

A. The specific responsibilities of the Committee are to:

1. At least annually, evaluate the performance of the Chief Executive Officer.

2. In consultation with the Executive Compensation Committee, determine and approve the compensation of the Chief Executive Officer.

3. Evaluate, at least annually, the performance of the Chairman of the Board.

4. Recommend to the Board of Directors for election the Chairman of the Board and the Chief Executive Officer and, when appropriate, successors for the Chairman of the Board and the Chief Executive Officer.

5. Review, at least annually, with the Chief Executive Officer the senior organizational structure of the Corporation to consider its capability for responding to emergencies, its provisions for succession and its ability to accomplish the Corporation's strategy.

6. In consultation with the Chief Executive Officer, consider and make recommendations to the Board of Directors for the election of the other officers of the Corporation.

7. Perform such other duties as may be delegated to the Committee by the Board of Directors.

B. The Chairman of the Committee of Independent Directors will be elected annually and is limited by the Corporation’s bylaws to serving not more than three (3) consecutive full terms in office.

CHESAPEAKE CORPORATION

CHAIRMAN OF COMMITTEE OF INDEPENDENT DIRECTORS

The Chairman of the Committee of Independent Directors shall:

A. Chair meetings of Committee.

B. Act as spokesperson for the Independent Directors and their liaison with the Chief Executive Officer, and, specifically, report to the CEO the Committee's evaluation of the CEO's performance, compensation, and related matters.

C. Act as liaison between the Committee, the Executive Compensation Committee, the Corporate Governance and Nominating Committee and the Audit Committee. The Chairman of the Committee of Independent Directors shall be notified of all meetings of other committees of the Board of Directors and is expected to attend such meetings with voice but not vote.

D. Consult with the Chairman of the Board on recommendations for the election of Board Committees and their chairmen (excluding the Committee of Independent Directors and its Chairman) by the Board of Directors.

E. Consult with the Chairman of the Board regarding the agenda for Board meetings, the adequacy and appropriateness of the information being provided to Directors, and the effectiveness and efficiency of the Board meeting process.

F. Consult with the Chairman of the Board regarding the annual evaluation of the performance of the Board of Directors as a body.

G. Exemplify the high ethical standards of the Corporation.

H. Review the expense reports of the CEO for compliance with corporate policy and propriety.

CHESAPEAKE CORPORATION

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

CHARTER

Function

The Chesapeake Corporation Corporate Governance and Nominating Committee reviews annually the attendance and performance of the individual Directors, reviews the compensation of Directors and makes recommendations to the Board of Directors as to such compensation, recommends to the Board of Directors nominees who meet criteria approved by the Board of Directors for nomination or election as Directors, develops and oversees corporate governance principles for the Corporation and performs such other duties as may be assigned to the Committee by the Board of Directors.

Composition and Meetings

Members of the Corporate Governance and Nominating Committee shall be elected, and may be removed, by the Board of Directors. All members of the committee shall be "Independent Directors," as defined in the rules and regulations of the Securities and Exchange Commission and the rules of the New York Stock Exchange, and who have been determined by the Board of Directors in accordance with the Corporate Governance Concepts and Policies to be "independent."

The Committee shall meet at least annually.

Duties and Responsibilities

The Corporate Governance and Nominating Committee shall:

A. In its task of identifying candidates for the Board of Directors, the Committee may engage outside consultants for assistance, if deemed appropriate by the Committee. The Corporation shall pay the compensation and expenses of such consultants. In addition, the Committee should solicit and consider input on possible director candidates from other Directors, management and stockholders.

B. The Committee shall regularly review the capabilities of the Directors to assist in determining the capabilities needed in new candidates in order to enhance the effectiveness of the Board. It is acknowledged that from time to time the capabilities needed by the Board of Directors will change as the Corporation's business needs and directions change.

C. Director candidates should be selected on the basis of factors such as talent, expertise and accomplishments. The ideal Board will reflect a diversity of occupational and personal backgrounds. Diversity of race, sex, age, domicile and national origin for the Board as a whole may also be taken into account when the Board considers individual candidates. Diversity should not, however, be confused with constituency representation.

D. In nominating new Directors and in evaluating current Directors, the Committee should examine factors such as the following: integrity, experience, judgment and knowledge, time and commitment, teamwork, stock ownership, absence of conflicts of interests and independence; and should further consider the following:

1. A Director should be able to draw on his or her past experience relevant to significant issues facing the Corporation, such as finance, marketing, technology and international issues. It is useful for some board members to have experience in the Corporation's industry, but Directors with experience in other areas and cultures can provide new or valuable perspectives. Successful service on, or experience with, other Boards, profit and not-for-profit, is highly desirable, but not essential.

2. A Director should have the ability to assess the Corporation's strategy, business plan and key issues, and to evaluate the performance of management. Directors should be aware of the legal framework governing corporations, sensitive to the public responsibilities of corporations, and alert to changing business conditions, technologies, markets, trends and opportunities. It is essential that each Director have the ability to evaluate the Corporation's financial and operating reports and analyze the Corporation's financial position.

3. The time spent at Board or Board committee meetings represents only a portion of the time a Director must devote to fulfilling directorial duties. Anyone being considered for membership on the Board of Directors must also have sufficient time available to become acquainted with the Corporation and to prepare for Board and assigned committee meetings. A Director also must be willing and able to respond to requests of management outside of Board meetings for advice and support relative to contacts, knowledge or experience of potential benefit to the Corporation.

4. Directors should be team players as well as team leaders. They must be able to work with their fellow Directors, while not necessarily always agreeing with them.

5. A Director should have no conflicts of interest or other relationships that would interfere with Board service. Board candidates must carefully examine and fully disclose on a continuing basis any potential conflict of interest or relationship that could call into question their loyalty to the Corporation as a whole and to the interests of the stockholders.

E. The Committee will be responsible for establishing a procedure for the confidential evaluation of the performance of each Director. This review process will be annually discussed with the Board of Directors.

F. Regular attendance by Directors at stockholders meetings and Board and committee meetings is expected except in unusual circumstances. Annually the Corporate Secretary shall provide the Committee with each Director's attendance record and that record will be an important factor in the Committee's evaluation of each Director's performance.

G. Directors eligible for reelection should absent themselves from the portion of the Board meeting when their reelection is being discussed.

H. A Director who retires or whose employer or job responsibilities change materially after being elected to the Board of Directors shall volunteer to resign from the Board to provide the Committee an opportunity to review the appropriateness of continued Board membership. Retirement, or a change in employer or job responsibilities for a Director, does not necessarily indicate a resignation from the Board is appropriate, but the Committee shall review the situation and provide a recommendation to the Board on the appropriateness of continued service by the Director.

I. Outside Directors shall notify the Corporate Secretary and the Chairman of the Corporate Governance and Nominating Committee and obtain the consent of the Committee prior to accepting nomination or election as a director of another company or a significant leadership position with a charitable or civic organization. The Committee shall review the appropriateness of the director serving as a director of the additional company or in the leadership position, including an examination of potential conflicts of interest and the projected effect of service on the director's ability to perform his duties as a director of Chesapeake. The Committee may approve the request or provide a recommendation to the Board for its determination of whether or not to approve the request.

J. The Committee shall annually review Directors' compensation and benefits and recommend any changes or modifications to the Board of Directors.

K. The Committee shall identify and encourage participation of the directors, as a group or individually, in appropriate educational and developmental training and learning opportunities for directors.

L. The Committee shall develop and oversee corporate governance principles for the Corporation.

M. The Committee shall evaluate its performance at least annually.

N. The Committee shall regularly and promptly report its actions to the Board of Directors.

CHESAPEAKE CORPORATION

EXECUTIVE COMPENSATION COMMITTEE

CHARTER

Function

The Executive Compensation Committee (the "Compensation Committee") of the Board of Directors assists the Board in its oversight of remuneration of the Corporation's officers and compensation and benefit plans for other employees of the Corporation.

Composition and Meetings

Compensation Committee members shall be elected, and may be removed, by the Board of Directors. The membership of the Compensation Committee shall consist of a Chairman and not less than two (2) additional Directors. Each member shall satisfy the independence requirements of the New York Stock Exchange, and the applicable rules and regulations of the Securities and Exchange Commission (the "Commission"). Compensation Committee members must have demonstrated knowledge, abilities and/or experience in matters relating to compensation at companies comparable to the Corporation.

The Compensation Committee shall meet at least three (3) times annually, shall maintain minutes or other records of meetings and activities, and shall report its actions and activities regularly and promptly to the Board of Directors.

Duties and Responsibilities

The Compensation Committee shall:

1. Review the performance and approve the cash salaries and the annual and long-term incentive compensation to be paid to officers of the Corporation, excluding the Chief Executive Officer.

2. Recommend for approval by the Committee of Independent Directors, based on the evaluation of the performance of the Chief Executive Officer by the Committee of Independent Directors relative to the goals and objectives set for the Chief Executive Officer, the annual cash salary and the annual and long-term incentive compensation for the Chief Executive Officer.

3. Consider, among other matters, the General Compensation Policy for Salaried Employees, the Company's performance and relative shareholder return, the value of similar compensation of officers at comparable companies, and compensation awarded in prior years in approving and formulating its recommendations on cash salaries and annual and long-term incentive awards.

4. Administer and make awards under the Officers' Incentive Programs, the stock option plans, the Long-Term Incentive Program, and the Executive Supplemental Retirement Plan (excluding awards to the Chief Executive Officer), and shall exercise appropriate oversight of other benefit, employee bonus and incentive compensation plans.

5. Have responsibility for oversight of the Global Retirement Committee activities regarding pension and other retirement plans.

6. Have the authority to retain, terminate, and approve fees and other retention terms for a compensation consultant to assist in the design, evaluation and administration of the Company's executive compensation and benefit programs.

7. Perform any other duties assigned to it by the Board of Directors.

8. Evaluate the performance of the Compensation Committee annually.

9. Report regularly its actions to the Board of Directors.

Annual Proxy Disclosure

The Compensation Committee shall prepare a report on executive compensation to be included in the Company's annual proxy statement, as required by the Commission regulations, including the disclosure that a Charter, which shall be published in the Company's Annual Proxy Statement at least every three years or the year after any significant amendment, governs the Compensation Committee, and that the Compensation Committee has complied with its Charter.

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CHESAPEAKE CORPORATION

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

Function

The Audit Committee of the Board of Directors assists the Board in its oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the Company's internal audit function and independent auditors.

Composition and Meetings

Audit Committee members shall be elected, and may be removed, by the Board of Directors. The membership of the Audit Committee shall consist of a Chairman and not less than two (2) additional Directors. Each member shall have no material relationship with the Company and shall satisfy the independence requirements of the New York Stock Exchange, and the rules and regulations of the Securities and Exchange Commission (the "Commission"). Each member shall satisfy the financial literacy requirements of the New York Stock Exchange and, if possible, at least one member shall qualify as an "audit committee financial expert" as defined by the applicable rules and regulations of the Commission.

The Audit Committee shall meet at least four (4) times annually, shall maintain minutes or other records of meetings and activities and shall report its actions and activities regularly and promptly to the Board of Directors.

Compensation

No member of the Audit Committee shall receive from the Company compensation prohibited by, or which violates the independence requirements of, applicable laws and rules and regulations of governmental bodies and self-regulatory organizations, including the Commission and the New York Stock Exchange.

Duties and Responsibilities

The Audit Committee shall:

1. Have direct responsibility for the appointment, compensation, oversight and retention of the independent auditor.

2. Review and approve, in advance, any audit and permissible non-audit services and fees to be provided by the Company's independent auditor. The Audit Committee has ultimate authority for these approvals although such approval may be delegated to any committee member so long as the approval is presented to the full Audit Committee at its next meeting.

3. Review the scope and approach of work to be undertaken by the independent auditors. Annually obtain and review a report by the independent auditors describing the firm's internal quality control procedures; any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; all relationships between the independent auditor and the Company to assess the auditor's independence.

4. Review with management and the independent auditors, prior to filing or distribution of the annual and quarterly financial statements, the quality, clarity, consistency and completeness of the statements and related disclosures. These reviews shall include discussion of any serious difficulties or disputes between management and the independent auditors during the course of the audit or any significant findings based upon the auditor's limited review procedures prior to the filing of interim statements.

5. Discuss with management and the independent auditor, the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," incorporated in its quarterly and annual reports filed with the Commission.

6. Discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

7. Review the selection, application and disclosure of the (a) Company's critical accounting policies, and significant changes in the Company's accounting policies; (b) alternative treatments of financial information within generally accepted accounting principles, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

8. Review any proposed changes in the Company's accounting or financial reporting, including the impact of new pronouncements of the various standard setting bodies or agencies which could have an effect on the Company's financial statements or condition.

9. Review with management and the independent auditors any significant transactions that are not a normal part of the Company's operations, including but not limited to any significant off-balance sheet structures, and changes, if any, in the Company's accounting principles or their application.

10. Provide an open channel of communications between management, the independent auditors, internal audit and the Board of Directors. Conduct separate executive meetings with the independent auditors, the internal auditors and management on a regular basis and report regularly to the Board of Directors.

11. Set clear hiring policies for the Company’s hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.

12. Review and discuss internal and external assessments of the adequacy and effectiveness of the Company's internal accounting and financial controls including the Company’s policies and procedures to assess, monitor and manage business risk and legal and ethical compliance programs.

13. Review, with the Company's general counsel, and outside counsel, if appropriate, any legal matters that could have a significant impact on the Company's financial statements.

14. Review the findings of any examinations by regulatory agencies which may raise material issues regarding the Company's financial statements or accounting policies. Establish and oversee procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of concerns of the Company regarding questionable accounting or auditing matters.

15. Review and concur in the appointment, replacement, reassignment or dismissal of the executive responsible for internal audit.

16. Review the annual budget and staffing of the internal audit function, the scope of work of the internal auditors, any significant related findings and recommendations of the internal auditors, together with management's responses, and the Internal Audit Department charter annually.

17. Review with the Company's counsel compliance with conflict of interest, antitrust and corporate conduct policies, including the Company’s Code of Ethics.

18. Review the management of insurable risk for the Company including, but not limited to, insurance coverage, disaster recovery programs and business interruption plans.

19. Review annual reports of travel and entertainment spending for the five highest compensated officers and, through the Chairman of the Committee of Independent Directors, approve the CEO's travel and entertainment expense reports.

20. Have the authority to retain special legal, accounting or other consultants to advise the Audit Committee as necessary to carry out its duties and to conduct or authorize investigations in to any matters within its scope of responsibilities. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor and to any advisors retained by the Audit Committee.

21. Review and reassess at least annually the adequacy of this charter and submit the charter to the Board of Directors for approval and perform a self-assessment of the Audit Committee's performance.

22. Other duties as directed by the Board of Directors.

Annual Proxy Disclosure

The Audit Committee shall prepare its report to be included in the Company's annual proxy statement, as required by the Commission regulations and such report shall disclose that:

- A Charter, which shall be published in the Company's Annual Proxy Statement at least every three years or the year after any significant amendment, governs the Audit Committee; and

- The Audit Committee has complied with its Charter and recommended to the Board of Directors that the financial statements be included in the Company's interim and fiscal year end external reporting.