



CLEARWATER PAPER CORPORATION

Code of Business Conduct and Ethics

Introduction

It is the general policy of Clearwater Paper Corporation to conduct our business activities and transactions with the highest level of integrity and ethical standards and in accordance with all applicable laws. In carrying out this policy, we have adopted the following Code of Business Conduct and Ethics (the “Code”).

This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but is intended to set out basic principles to guide our employees and directors. All employees and directors must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. Those who violate the standards in this Code or who fail to cooperate with management directions given to effect compliance with this Code may be subject to disciplinary action, possibly including termination of employment.

In addition to the requirements of this Code, our senior officers must also comply with the provisions of our Code of Ethics for Senior Officers.

If you have any questions regarding this Code, you should address these questions to your supervisor or to our General Counsel or Chief Executive Officer, as appropriate.

Basic Principles and Practices

Compliance with Laws, Rules and Regulations

Company policy requires that our business activities comply with both the letter and the spirit of all applicable laws, rules and regulations. Although not all employees are expected to know every detail of these laws, rules or regulations, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. Any question or concern regarding legal compliance should be directed to your supervisor or our General Counsel. Promptly report any concerns about possible violations of the Code, laws, regulations, and policies. When responding to an investigation, cooperate fully and tell the whole truth.

Confidentiality, Privacy and Personal Information

You must properly safeguard non-public information concerning the company that comes into your possession. You acknowledge that the company has taken reasonable steps to safeguard confidential information and agree at all times to support the company’s efforts to maintain such confidentiality.

At all times during and after your employment at company, you must not intentionally or inadvertently communicate non-public company information to any person (including family members, romantic partners, companions and friends) unless that person has a need to know the information for legitimate, company-related reasons. Any third party appropriately receiving

confidential information should be bound by a nondisclosure agreement approved by our management, or otherwise subject to confidentiality obligations to us.

This duty of confidentiality is important to our competitive position as well as with respect to securities laws applicable to us as a public company and continues even after your last day on the job.

Confidential information can include a variety of materials and information regarding our ongoing operations and plans and may include information provided to us by customers, partners or vendors regarding their respective operations and plans. For example, confidential information can include facility or product development plans, patents, significant new contracts, information regarding the financial health and performance of the company, personnel information, plans regarding acquisitions or divestitures, plans to raise additional capital, and marketing and sales plans.

Consistent with the foregoing, you must be discreet with respect to confidential information and not discuss it in public places.

Certain information, including information that is known as personally identifiable information, protected health information, or other employee data, can have additional regulatory requirements on how it is handled. If you work with this type of information, make sure you are aware of all the regulations regarding handling of such information and maintain and dispose of it according to those regulations.

Nothing in this rule is intended to prevent or discourage employees from engaging in lawful protected concerted activity, which includes communication with other employees or third parties about wages, hours, terms and conditions of employment.

Conflicts of Interest

Business decisions and actions must always be based on the best interests of the company. No one may compete with us directly or indirectly while they are employed by us. A conflict of interest arises when your loyalties or actions are divided between the interests of the company and those of another, such as a competitor, supplier, customer, or personal business. A conflict of interest can arise if you take actions or have interests that may make it difficult to perform your work for us objectively and effectively. A conflict of interest may also arise when you, or a member of your family, receive an improper personal benefit as a result of your position in, or relationship with, the company. Moreover, even the appearance of a conflict of interest can adversely affect the company and our relations with customers, suppliers and employees.

A conflict of interest can also arise with respect to the employment of relatives and persons with close personal relationships. If you or someone with whom you have a close relationship (e.g., a family member, romantic partner, or close companion) has a financial or employment relationship with an actual or potential competitor, supplier or customer, you must disclose this fact in writing to your supervisor or in the case of the Chief Executive Officer or any director, to the Chair of the Board or Vice Chair, as appropriate, and to the Chair of the Audit Committee. We may take any action that we deem necessary to address, avoid or remedy an actual, prospective or perceived conflict of interest, including a reassignment of some or all of your duties or a change in your position.

You are expected to use good judgment, adhere to high ethical standards and avoid situations that create an actual or potential conflict of interest. A conflict of interest may not always

be clear; therefore, you should consult with higher levels of management if you have any questions. If you become aware of a conflict or a potential conflict you should bring it to the attention of your supervisor or in the case of the Chief Executive Officer or any director, to the Chair of the Board or Vice Chair, as appropriate, and to the Chair of the Audit Committee.

Corporate Opportunities

You must not take for the benefit of yourself opportunities that are discovered, advanced or implemented through the use of company property, confidential information, or your position with the company. These opportunities belong to the company and may not be used by you for your personal gain without our consent. You owe a duty of loyalty and/or a fiduciary duty to the company to advance our legitimate interests when the opportunity to do so arises.

Fair Competition and Dealing

Although our prosperity depends on our ability to outperform our competitors, we are committed to achieving success by fair and ethical means and seek to maintain a reputation for honesty and fair dealing among our customers and competitors and the public alike. In light of this aim, we will not tolerate dishonest, unethical or illegal business practices. You must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair business practice. An exhaustive list of all unethical practices covering all conceivable circumstances cannot be provided. Instead, we rely on your best professional and ethical judgment to avoid such practices.

You must not provide any competitor with information about our prices or about internal matters affecting our prices. It is illegal to enter into any agreement with a competitor concerning price, costs, terms, customers, markets, production, business plans or any other matters that could affect competition. Because the consequences of these illegal agreements potentially can be so severe for the company (including fines, actual damages and treble damages) and the individuals involved (including prison sentences and fines), you should not even discuss the above topics with competitors. Keep in mind that an unspoken agreement to fix prices or allocate markets is just as illegal as a spoken or written agreement. This is a complex area. Affected employees are expected to be familiar with our Antitrust Policy and consult our legal department as appropriate.

If you are uncertain or have questions concerning the propriety of an event or course of action, discuss it with your supervisor or our General Counsel, as appropriate.

Health and Safety

We are committed to being a leader in the industry for providing a safe and healthy work environment. All of us have responsibility for maintaining a safe and healthy workplace by following our safety and health rules, policies, procedures and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. To this end, while at work or on company

business, no employee shall use, purchase, sell, deliver or possess illegal drugs or legal drugs that could cause impairment, including alcohol.

Threats, intimidation, and violence towards anyone at work will not be tolerated and should be reported immediately to your supervisor or our legal department, as appropriate.

Environmental Responsibility

We are committed to meeting or exceeding applicable environmental laws and regulations and to being responsible environmental stewards. Failure to meet environmental commitments may result in damage to the environment and to our reputation, as well as criminal charges, fines and liabilities. All employees must comply with applicable environmental laws, regulations and policies, including record-keeping and reporting requirements.

You should immediately report suspected environmental problems, including spills and malfunctions of environmental control equipment, to your supervisor or the appropriate manager. Supervisors and managers must take immediate appropriate remedial action and ensure that timely notification is made to government agencies as required by applicable law.

Insider Trading

Insider information is any material nonpublic information relating to us or another public company that could be used improperly for personal advantage. You are not permitted to use, share or disseminate insider information for stock trading purposes or for any other purpose except the conduct of our business.

The use of insider information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information is not only unethical, it is also illegal. You are required to comply with, and should consult, the Insider Trading Policy in this regard.

Some employees, because of the information they receive or to which they have access, may have trading restrictions placed on them. You will be notified if you are required to adhere to trading restrictions.

Protection and Proper Use of Company Assets

All employees are obligated to protect our property from inappropriate use, damage, loss and theft. No one may use company property, information or his or her position for improper personal gain. Our property includes our facilities, equipment, computers, email and other communications systems, vehicles, funds and records, as well as our company name and trademarks. Company property may be used only for company business, unless prior written approval is granted by an authorized company representative. Certain incidental personal use of company property, such as communications systems, may be permitted subject to the company’s information systems use policies. Any suspected incident of inappropriate use, damage, loss or theft of company property must be immediately reported to your supervisor or our legal department, as appropriate for investigation.

Record Keeping

We require truthful and accurate recording and reporting of information in order to make responsible business decisions and to comply with laws. All of our books, records, accounts and financial statements must be maintained in reasonable detail, be timely and understandable, appropriately and fully reflect our transactions and conform to both applicable legal requirements

and our system of internal controls. Our business records must be maintained according to the Records Retention Policy and for the periods specified in the Record Retention Schedule.

Employees who contribute to or prepare our financial statements, public filings, submissions or communications should do so in accordance with the following guidelines:

- All records must fairly and accurately reflect the transactions or occurrences to which they relate.
- All records must fairly and accurately reflect, in reasonable detail, the company's assets, liabilities, revenues and expenses.
- Our accounting records, as well as reports produced from those records, must be prepared in accordance with the laws of each applicable jurisdiction and must not contain any false or intentionally misleading entries.
- No transactions should be intentionally misclassified as to accounts, departments or accounting periods.
- All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.
- No information should be concealed from internal auditors or independent auditors.
- Compliance with our system of internal accounting controls is required.

Business records and communications often become public. You should avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of people and companies that could be misunderstood. This applies equally to e-mail, internal memos and formal reports.

Employment Practices

We are committed to recruiting, promoting and supporting a diverse workforce through equal employment opportunity. Decisions regarding hiring, training, compensation, promotion and termination must be made without discrimination on the basis of race, color, sex, sexual orientation, age, religion, national origin, disability or other categories as provided by law. We are committed to maintaining a work environment free from harassment, discrimination, retaliation and intimidation of any type with respect to our employees, customers, competitors and suppliers. You should treat other employees, including those of our customers and suppliers with respect.

Foreign Corrupt Practices Act and Improper Payments

Extra caution is needed where widely accepted customs of making payments or giving gifts risk violating the U.S. Foreign Corrupt Practices Act or local anti-bribery laws. No secret or unrecorded fund of company assets or cash shall be established or maintained for any purpose.

Anyone spending or obligating company funds should be certain that the transaction is properly and appropriately documented and that we receive appropriate value in return.

You may not provide, directly or indirectly, any payment, gift or entertainment or anything of value to a government official. While modest courtesies may be lawful and appropriate under exceptional circumstances, a practice of providing such courtesies must be reviewed in advance with our legal department.

If you are offered or asked for a bribe, no matter how small, you must refuse it and clearly state that it is against our policy to engage in bribery or corruption. You should then immediately report the incident to the legal department.

Exercise caution when selecting third parties who work on our behalf. Monitor their compliance with contractual obligations and our standards.

Gifts and Entertainment

No gifts or entertainment may be given or accepted that would affect the business judgment of the recipient or influence a business decision.

It is common business courtesy to pay for or to accept ordinary and occasional business meals and entertainment. Indeed, appropriate accommodations of this kind properly foster business relationships based on friendship and trust. Report entertainment or gift costs accurately for recordkeeping purposes. The gift or entertainment must not appear to obligate you, the supplier or customer. Ensure events are consistent with our values and avoid those that aren't. When exchanges go beyond common business courtesy in frequency, kind or value, or if you are unsure if a gift might have the appearance of obligation, check with your supervisor before giving or accepting a gift.

Compliance Procedures

We must all work to ensure prompt, effective and consistent action against violations of this Code. However, in some situations, it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- *Make sure you have all the facts.* In order to reach the right solutions, one must be as fully informed as possible.
- *Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?* This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- *Clarify your responsibility and role.* In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- *Discuss the problem with your supervisor.* This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the

question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.

- *Seek help from company resources.* In the event it is inappropriate to discuss an issue with your supervisor, or if you do not feel comfortable approaching your supervisor with your question, you may also contact their supervisor, HR or our General Counsel or Chief Executive Officer, as appropriate.
- *You may report ethical violations in confidence and without fear of retaliation.* You may report your concerns anonymously, but please understand that the company's ability to investigate and remedy your concerns may be limited if you do not provide full information or if you do not make yourself available for follow up throughout the investigation. An employee who reports an ethical concern or who participates in an investigation will not be subject to retaliation.
- *Always ask first, act later.* If you are unsure of what to do in any situation, seek guidance *before you act*.

Reporting Violations of this Code

If you become aware of a violation of this Code or believe that a violation may take place in the future, you must promptly report the matter. Failure to report a known violation allows misconduct to go unremedied and is itself grounds for discipline. Ordinarily, the report may be made to your immediate supervisor who, in turn, must report it to our General Counsel or Chief Executive Officer, as appropriate. If you do not feel comfortable bringing it to your immediate supervisor you can report it to HR, local management or an executive leader. You may also report violations of this Code by calling 888-690-3859. Such reports may be made anonymously.

If the report pertains to concerns regarding questionable accounting or auditing matters, you should direct the report to the Chair of the Audit Committee of the Board of Directors by calling 877-780-9371. Such reports may be made anonymously.

Anyone submitting a report is strongly encouraged to keep a copy of the report (if made in writing) and a record of the time and date of his or her submission, as well as a description of the matter as reported if the report was not in writing.

You are encouraged to provide as much specific information as possible, including names, dates, places and events that took place, relevant documents, and your perception of why the incident(s) may be misconduct.

If possible, you should provide a means by which you can be contacted in the event that an investigator needs to follow-up or wants to report back to you.

Once a report is made, we will investigate the concern and take appropriate actions.

During the investigation and while pursuing a resolution of the concern, we will make every attempt to protect the confidentiality of the information provided, unless maintaining confidentiality would be inconsistent with applicable law, or would create a significant health or safety risk. We will make every attempt to protect the confidentiality of those individual(s) raising the concern, as well as those individuals involved in the investigation, except to the extent the company is obligated by law to take prompt and effective remedial action.

This policy does not prohibit or restrict you (or your attorney) from initiating communications directly with, or responding to any inquiry from, or providing testimony to, any self-regulatory organization or state or federal agency or authority.

We will not allow retaliation against you for reporting a possible violation of this Code. However, we may take whatever action is appropriate if any person involved in the report or the investigation knowingly provides information that is false.

Retaliation can take many forms, from being unfairly dismissed, to being the target of bullying or derogatory comments – in person or in social media. We take all claims of retaliation seriously, investigating each one thoroughly and taking appropriate action.

Retaliation for reporting a federal offense is illegal under federal law and prohibited under this Code. Such retaliation may result in discipline up to and including termination of employment or service and may also result in criminal prosecution. You are protected from retaliation even if the investigator does not agree that there has been a violation. However, if you were involved in the improper activity being reported, the fact that you reported it will not necessarily prevent you from being disciplined for participation in the violation. In these circumstances, we may consider your conduct in promptly reporting the information as a mitigating factor in any disciplinary decision.

Accountability for Adherence to this Code

As appropriate our Board of Directors, our Chief Executive Officer or other designated officers shall determine the necessary or appropriate actions to be taken in the event of violations of this Code or of any failure to follow direction given by management in order to effect the provisions, goals and aims of this Code. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to this Code; will include written notices to the individual involved that there has been a violation; and may include censure, demotion or re-assignment of the individual involved, suspension with or without pay and/or termination of the individual's employment or other service. Any waiver of this Code for executive officers or directors may be made only by the Board or a Board committee and will be promptly disclosed as required by law.

Implementation

Violations of this Code or of any direction given by management in order to impair enforcement of the provisions, goals, and aims of this Code may result in disciplinary action, up to and including termination of employment.