

CLEARWATER PAPER CORPORATION

DIRECTOR INDEPENDENCE POLICY

Principles

The Board of Directors of Clearwater Paper Corporation shall be comprised of a majority of independent directors. The Board will determine which of its members are independent on an annual basis and, if a director is appointed between annual meetings, at the time of such appointment. The Board may determine a director to be independent only if it affirmatively determines that the director has no material relationship with the Company. The Board will consider all relevant facts and circumstances in making its determination, and such determination will be made in accordance with the independence criteria described below.

Determination of Independence

A director will not be considered independent if:

- the director is, or has been within the last three years, an employee of the Company, excluding any interim service as CEO or other executive officer of the Company;
- an immediate family member of the director is, or has been within the prior three years, an executive officer of the Company;
- the director has received during any twelve-month period within the last three years, or has an immediate family member who has received during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, excluding (A) director and committee fees and pension or other forms of deferred compensation for prior service (provided that such compensation is not in any way contingent on continued service); (B) with respect to such director, compensation received for former service as an interim Chair, CEO or other executive officer; and (C) with respect to an immediate family member, compensation received for service as an employee of the Company (other than an executive officer);
- (A) the director or an immediate family member of the director is a current partner of the firm that is the Company's independent registered public accounting firm; (B) the director is a current employee of such firm; (C) the director has an immediate family member who is a current employee of such 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 of the director was within the prior three years (but is no longer) a partner or employee of such firm and personally worked on the Company's audit within that time;

- an executive officer of the Company serves or served on the compensation committee of the board of directors of a company that, at the same time within the prior three years, employs or employed either the director or an immediate family member of the director as an executive officer; or
- the director is a current employee of, or has an immediate family member who is a current executive officer of, a company 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 of such other company or organization, exceeds the greater of \$1 million or 2% of such other company's or organization's consolidated gross revenues.

Definitions

For purposes of this policy statement:

“*Company*” includes Clearwater Paper Corporation and its consolidated subsidiaries, if any;

“*executive officer*” means an entity's president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the entity in charge of a principal business unit, division or function, any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the entity; and

“*immediate family member*” means any child, stepchild, parent, stepparent, spouse, domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and any individual sharing the household (other than a tenant or employee) of a specified person who might control or influence a principal owner or a member of management, or who might be controlled or influenced by a principal owner or member of management, because of the family relationship.