

Rock-Tenn CO  
Form DEF 14A  
December 17, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant To Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for use of the Commission only** (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive additional materials

Soliciting material under Rule 14a-12

**ROCK-TENN COMPANY**

(Name of Registrant as Specified in Charter)

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(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of filing fee (Check the appropriate box):

No fee required.

Fee computed on the table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

December 17, 2010

To our Shareholders:

It is our pleasure to invite you to attend our annual meeting of shareholders, which is to be held on January 28, 2011, at the Grand Hyatt Atlanta at 3300 Peachtree Road, N.E., Atlanta, Georgia 30305. The meeting will begin at 9:00 a.m., local time.

The following Notice of 2011 Annual Meeting of Shareholders outlines the business to be conducted at the meeting.

Again this year, we are using the Internet as our primary means of furnishing proxy materials to shareholders. Accordingly, most shareholders will not receive paper copies of our proxy materials. We will instead send shareholders a notice with instructions for accessing the proxy materials and voting via the Internet. The notice also provides information on how shareholders may obtain paper copies of our proxy materials if they so choose.

Whether or not you plan to attend the annual meeting, please vote as soon as possible to ensure that your shares will be represented and voted at the annual meeting. You may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing the completed proxy card. If you attend the annual meeting, you may vote your shares in person even though you have previously voted your proxy.

Very truly yours,

James A. Rubright  
*Chairman and*

*Chief Executive Officer*

*NOTICE OF 2011 ANNUAL MEETING OF SHAREHOLDERS*

*To Be Held on January 28, 2011*

**TIME:** 9:00 a.m., local time, on Friday, January 28, 2011.

**PLACE:** Grand Hyatt Atlanta

3300 Peachtree Road, N.E.

Atlanta, Georgia 30305

- ITEMS OF BUSINESS:**
- (1) To elect four directors.
  - (2) To ratify the appointment of Ernst & Young LLP to serve as the independent registered public accounting firm of Rock-Tenn Company.
  - (3) To hold an advisory vote on executive compensation.
  - (4) To hold an advisory vote on the frequency of holding future advisory votes on executive compensation.
  - (5) To transact any other business that properly comes before the meeting or any adjournment of the annual meeting.

**WHO MAY VOTE:** You can vote if you were a holder of Class A Common Stock of record on November 26, 2010.

**DATE THESE PROXY**

**MATERIALS WERE FIRST**

**MADE AVAILABLE ON  
THE INTERNET:**

December 17, 2010

**INTERNET AVAILABILITY OF PROXY MATERIALS**

In accordance with U.S. Securities and Exchange Commission rules, we are using the Internet as our primary means of furnishing proxy materials to shareholders. Consequently, most shareholders will not receive paper copies of our proxy materials. We will instead send shareholders a Notice of Internet Availability of Proxy Materials with instructions for accessing the proxy materials, including our proxy statement and annual report, and voting via the Internet. The Notice of Internet Availability of Proxy Materials also provides information on how shareholders may obtain paper copies of our proxy materials if they so choose.

**ROCK-TENN COMPANY**

**504 Thrasher Street**

**Norcross, Georgia 30071**

**PROXY STATEMENT**

**FOR ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JANUARY 28, 2011**

**PROXY SOLICITATION AND VOTING INFORMATION**

***Why am I receiving these materials?***

Our board of directors has made these materials available to you on the Internet or, upon your request, has delivered printed versions of these materials to you by mail, in connection with the solicitation of proxies by the board of directors. The proxies will be used at our annual meeting of shareholders to be held on January 28, 2011 (which we refer to as the **annual meeting**). We made these materials available to shareholders beginning on December 17, 2010. Our shareholders are invited to attend the annual meeting and are requested to vote on the proposals described in this proxy statement.

***What is included in these materials?***

These materials include:

our proxy statement; and

our 2010 annual report to shareholders, which includes our audited consolidated financial statements.

If you request printed versions of these materials by mail, these materials will also include the proxy card for the annual meeting.

***What am I voting on?***

You will be voting on each of the following:

The election of four directors.

The ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm. We refer to the appointment of Ernst & Young LLP as our independent registered public accounting firm as the **E&Y Appointment**.

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An advisory vote on executive compensation.

An advisory vote on the frequency of holding future advisory votes on executive compensation.

The transaction of any other business that properly comes before the annual meeting or any adjournment of the annual meeting. As of the date of this proxy statement, the board of directors knows of no other matters that will be brought before the annual meeting.

You may not cumulate your votes for any matter being voted on at the annual meeting, and you are not entitled to appraisal or dissenters' rights.



***Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?***

Pursuant to rules adopted by the U.S. Securities and Exchange Commission (which we refer to as the **SEC**), we provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (which we refer to as the **Notice**) to our shareholders of record and beneficial owners. All shareholders will have the ability to access the proxy materials on the website referred to in the Notice, free of charge, or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, shareholders may request to receive proxy materials electronically by e-mail on an ongoing basis.

***How can I get electronic access to the proxy materials?***

The Notice provides you with instructions regarding how to:

view our proxy materials for the annual meeting on the Internet and execute a proxy; and

instruct us to send future proxy materials to you electronically by e-mail.

Choosing to receive future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

***Who can vote?***

You may vote if you owned Class A Common Stock as of the close of business on November 26, 2010, the record date for the annual meeting. As of November 26, 2010, there were 38,919,857 shares of our Class A Common Stock outstanding.

***What if my certificates represent Class B Common Stock?***

Each share of our Class B Common Stock was automatically converted into one share of Class A Common Stock on June 30, 2002. Each certificate that represented shares of Class B Common Stock represents the same number of shares of Class A Common Stock into which the Class B Common Stock was converted. We refer to our Class A Common Stock (including certificates that represented shares of Class B Common Stock) as the **Common Stock**.

***How do I vote?***

You have four voting options. You may vote using one of the following methods:

Over the Internet. If you have access to the Internet, we encourage you to vote in this manner.

By telephone.

For those shareholders who request to receive a paper proxy card in the mail, by completing, signing and returning the proxy.

By attending the annual meeting and voting in person.

The Notice provides instructions on how to access your proxy card, which contains instructions on how to vote via the Internet or by the telephone. For those shareholders who request to receive a paper proxy card in the mail, instructions for voting via the Internet, by telephone or by mail are set forth on the proxy card. Please follow the directions on your proxy card carefully.



***Can I vote at the annual meeting?***

You may vote your shares at the annual meeting if you attend in person. Even if you plan to be present at the annual meeting, we encourage you to vote your shares by proxy. You may vote your proxy via the Internet, by telephone or by mail.

***What if my shares are registered in more than one person's name?***

If you own shares that are registered in the name of more than one person, each person must sign the proxy. If an attorney, executor, administrator, trustee, guardian or any other person signs the proxy in a representative capacity, the full title of the person signing the proxy should be given and a certificate should be furnished showing evidence of appointment.

***What does it mean if I receive more than one Notice?***

It means you have multiple accounts with brokers and/or our transfer agent. Please vote all of these shares. We recommend that you contact your broker and/or our transfer agent to consolidate as many accounts as possible under the same name and address. Our transfer agent is Computershare Investor Services, 250 Royall Street, Canton, MA 02021 and may be reached at 1-800-568-3476.

***Can I change my mind after I vote?***

You may change your vote at any time before the polls close at the annual meeting. You may do this by using one of the following methods:

Voting again by telephone or over the Internet prior to 1:00 a.m., E.T., on January 28, 2011.

Giving written notice to the Corporate Secretary of our company.

Delivering a later-dated proxy.

Voting in person at the annual meeting.

***How many votes am I entitled to?***

You are entitled to one vote for each share of Common Stock you own.

***How many votes must be present to hold the annual meeting?***

In order for us to conduct the annual meeting, the holders of a majority of the votes of the Common Stock outstanding as of November 26, 2010 must be present at the annual meeting. This is referred to as a quorum. Your shares will be counted as present at the annual meeting if you do one of the following:

Vote via the Internet or by telephone.

Return a properly executed proxy by mail (even if you do not provide voting instructions).

Attend the annual meeting and vote in person.

***How many votes are needed to elect directors?***

The four nominees receiving the highest number of yes votes will be elected directors. This number is called a plurality.



***How many votes are needed to ratify the E&Y Appointment and approve the advisory votes on executive compensation?***

To ratify the E&Y Appointment and to approve the non-binding resolution regarding the approval of executive compensation, the yes votes cast in favor of the matter must exceed the no votes cast against the matter. With respect to the advisory vote on the frequency of the advisory vote on executive compensation, the option of one year, two years or three years that receives the highest number of votes will be the frequency for the advisory vote on executive compensation selected by the shareholders.

***How many votes are needed for other matters?***

To approve any other matter that properly comes before the annual meeting, the yes votes cast in favor of the matter must exceed the no votes cast against the matter. The board of directors knows of no other matters that will be brought before the annual meeting. If other matters are properly introduced, the persons named in the proxy as the proxy holders will vote on such matters in their discretion.

***Will my shares be voted if I do not provide my proxy?***

Your shares may be voted under certain circumstances if they are held in the name of a brokerage firm. Brokerage firms have the authority under rules of the New York Stock Exchange (which we refer to as the **NYSE**) to vote customers' unvoted shares on routine matters, which includes the ratification of the appointment of our independent registered public accounting firm. Accordingly, if a brokerage firm votes your shares on these matters in accordance with these rules, your shares will count as present at the annual meeting for purposes of establishing a quorum and will count as yes votes or no votes, as the case may be, with respect to all routine matters voted on at the annual meeting. If you hold your shares directly in your own name, they will not be voted if you do not vote them or provide a proxy. If a brokerage firm signs and returns a proxy on your behalf that does not contain voting instructions, your shares will count as present at the annual meeting for quorum purposes and will count as a for vote for the E&Y Appointment but will not count as a yes vote or a no vote on the election of the director nominees named in this proxy statement and will not be counted as advisory votes on executive compensation or on the frequency of holding future advisory votes on executive compensation. These are referred to as broker non-votes.

**ELECTION OF DIRECTORS**

**ITEM 1**

***Board of Directors***

Our board of directors currently has 12 members. The directors are divided into three classes with the directors in each class serving a term of three years. Directors for each class are elected at the annual meeting of shareholders held in the year in which the term for their class expires. At the annual meeting on January 28, 2011, four nominees for director are to be elected to serve on our board of directors until the annual meeting in 2014, or until their successors are qualified and elected. Our board is authorized to fill vacancies of the board created by the death, resignation, retirement or other departure of a director. Our directors must retire when they reach the age of 72, although they may continue to serve until the next annual or special meeting of the shareholders at which directors are to be elected. Two of our directors, Dr. Stephen G. Anderson and Mr. John D. Hopkins, will retire as directors at our annual meeting. Following the retirement of Dr. Anderson and Mr. Hopkins and the election of the four nominees, our board of directors will have 10 members. Following the annual meeting, our board of directors intends to reduce the size of the board to 10 members, which they are authorized to do.

Our board is also authorized to increase the size of the board and is authorized to fill the vacancies created by the increase. Any director appointed by the board to fill a vacancy must stand for re-election at the next annual meeting of shareholders after his or her appointment to the board even if that class of directors is not subject to election in that year.

We do not believe that any of our nominees for director will be unwilling or unable to serve as director at the time of his or her election. However, if at the time of the annual meeting any of the nominees should be unwilling or unable to serve, proxies will be voted as recommended by the board of directors to do one of the following:

To elect substitute nominees recommended by the board.

To allow the vacancy created to remain open until filled by the board.

To reduce the number of directors for the ensuing year.

In no event, however, can a proxy be voted to elect more than four directors.

***Recommendation of the Board of Directors***

***The board of directors recommends a vote FOR J. Powell Brown, Robert M. Chapman, Russell M. Currey and G. Stephen Felker to hold office until the annual meeting of shareholders in 2014, or until each of their successors is qualified and elected. Proxies (other than by brokerage firms) returned without instructions will be voted FOR the election of the four nominees.***

*Nominees for Election Term Expiring 2014*

<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Positions Held</b>
J. Powell Brown	43	2010	Mr. Brown has served as chief executive officer of Brown & Brown, Inc., an insurance services company, since July 2009. He has served as president of Brown & Brown since January 2007 and was appointed to be a director of Brown & Brown in October 2007. Prior to that time, he had served as a regional executive vice president of Brown & Brown since 2002. From January 2006 until April 2009, Mr. Brown served on the board of directors of SunTrust Bank/Central Florida, a commercial bank and a subsidiary of SunTrust Banks, Inc. Mr. Brown's experience as chief executive officer and an executive officer of a large, publicly-traded insurance brokerage firm gives him broad experience and knowledge of risk management and loss minimization and mitigation as well as perspective on leadership of publicly-held companies that benefit our company and its board of directors.
Robert M. Chapman	57	2007	Mr. Chapman served as chief operating officer of Duke Realty Corporation, a real estate development company, from August 2007 until his resignation in November 2009. Mr. Chapman served as senior executive vice president of real estate operations for Duke Realty from August 2003 until July 2007 and as regional executive vice president for Duke Realty's Southeast region from 1999 through July 2003. Mr. Chapman's experience as head of real estate acquisitions and development for a large national real estate investment trust gives him broad experience in evaluating national real estate and economic trends and growth opportunities as well as expertise in complex project finance activities that benefit our company and its board of directors.
Russell M. Currey	49	2003	Mr. Currey resigned in May 2008 from his position as executive vice president and general manager of our corrugated packaging division, a position he held for more than five years. Mr. Currey joined our company in July 1983. Mr. Currey's experience with our company in a number of leadership roles over a period of 25 years provides him with substantial knowledge of our business, our employees and our customers that benefits our company and its board of directors. Mr. Currey is the nephew of Robert B. Currey, a director of our company.
G. Stephen Felker	59	2001	Mr. Felker has served as chairman of the board and as a director of Avondale Incorporated, a former textile manufacturer, since 1992. He served as president and chief executive officer of Avondale from 1980 to 2008. He is also a director and executive officer of Avondale Mills, Inc., a wholly-owned subsidiary of Avondale Incorporated and has been since 1986. Avondale ceased operations in 2006 following a train derailment and resulting chemical spill that destroyed several of its key manufacturing facilities and is in the process of liquidating its remaining assets. Mr. Felker's experience as chief executive officer of Avondale Incorporated gives him broad experience in manufacturing, managing commodity risk and, as Avondale achieved its success and size through several large acquisitions, in evaluating and in integrating acquisitions that benefits our company and its board of directors.

*Incumbent Directors Term Expiring 2013*

<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Positions Held</b>
Robert B. Currey	70	1989	Mr. Currey founded Currey & Company, Inc., a producer of consumer lighting products, and has served as its chairman of the board since 1988. Mr. Currey served as chief executive officer of Currey & Company from 1988 until 2007. Mr. Currey's experience as the founder and chief executive officer of several successful consumer goods companies that source their manufactured products from a number of Asian countries gives him broad business and management skills, as well as deep insight into business developments in Asia that benefit our company and its board of directors. Mr. Currey is the uncle of Russell M. Currey, a director of our company.
Lawrence L. Gellerstedt III	54	1998	Mr. Gellerstedt has served as president and chief executive officer of Cousins Properties Incorporated, a real estate development company, since July 2009, and he served as the executive vice president and chief development officer of Cousins Properties from June 2005 until July 2009. Mr. Gellerstedt served as the chairman and chief executive officer of The Gellerstedt Group, a real estate development company, from June 2003 until June 2005. Mr. Gellerstedt served as the president and chief operating officer of The Integral Group, a real estate development company, from January 2001 until June 2003. Mr. Gellerstedt is a director of SunTrust Bank, Atlanta, a commercial bank and a subsidiary of SunTrust Banks, Inc. and has been for more than five years. From 1994 to 2007 Mr. Gellerstedt served as a director of Alltel Corporation, a nationwide telecommunications services company. Mr. Gellerstedt's experience as chief executive officer of several companies over the years, including a large publicly-traded real estate development company and a large construction company, and as a member of several public company boards of directors, provides valuable leadership and board governance insights and financial expertise that benefit our company and its board of directors.
John W. Spiegel	69	1989	Mr. Spiegel has served as non-executive chairman and a director of S1 Corporation, a provider of integrated applications for financial institutions, since October 2006. Mr. Spiegel has been a director of CPEX Pharmaceuticals, Inc., a specialty pharmaceutical company, since 2008 and a member of the board of trustees of Colonial Properties Trust, a real estate investment trust for more than five years. Mr. Spiegel served as executive vice president and chief financial officer of SunTrust Banks, Inc., a bank holding company, until August 2000, when he became vice chairman and chief financial officer. He retired from these positions in August 2004. He continued to serve as a non-executive vice chairman of SunTrust Banks Holding Company, a wholly-owned subsidiary of SunTrust Banks, Inc., through March 31, 2005. From 2002 to 2008, Mr. Spiegel served as a director of Bentley Pharmaceuticals Inc., a specialty pharmaceutical company and from 2005 to 2008 he served as a director of Home Banc Corp., the parent of Home Banc Mortgage Corp., a mortgage banking company. Mr. Spiegel's experience as chief financial officer and vice chairman of SunTrust Banks, Inc. and as a member of numerous public company boards of directors, including prior service on a number of public company audit committees, provides him with valuable financial expertise and board governance and leadership skills from the perspective of large complex as well as smaller organizations that benefit our company and its board of directors.



*Incumbent Directors Term Expiring 2012*

<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Positions Held</b>
James A. Rubright	64	1999	Mr. Rubright has served as our chief executive officer since October 1999 and chairman of the board since January 2000. Mr. Rubright has served as a director of AGL Resources Inc., an energy company, for more than five years. Since 2007 he has served as a director of Forestar Group Inc., a company engaged in real estate and mineral and fiber resources businesses. From October 2004 to January 2008 Mr. Rubright served as a director for Oxford Industries, Inc., a manufacturer and seller of branded and private label apparel and from November 2000 to July 2008 as a director of Avondale Incorporated, a former textile manufacturer. Mr. Rubright was chosen to serve as our chairman of the board because of his role as our chief executive officer and because we believe that having him serve in both roles strengthens the governance structure of our company and promotes a unified focus for management to execute our strategy and business plans.
Bettina M. Whyte	61	2007	Ms. Whyte is the Chairman of the Bridge Associates, LLC Advisory Board. Ms. Whyte served as Managing Director and Head of the Special Situations Group of MBIA Insurance Corporation, a provider of credit enhancement services and a provider of fixed-income asset management services, from March 2006 until October 2007, and Managing Director of AlixPartners, LLC, a business turnaround management and financial advisory firm, from April 1997 until March 2006. Ms. Whyte has also been a director of AGL Resources Inc., an energy company, since October 2004, Amerisure Insurance, a mutual insurance company, since 2002 and Armstrong World Industries, a designer and manufacturer of floors, ceilings and cabinets, since 2010. Ms. Whyte's experience in the financial and operational restructuring of complex businesses, having served as interim chief executive officer, chief operating officer and chief restructuring officer of numerous troubled public and private companies, gives her broad experience with operational and financial issues and insight in leading organizations that benefit our company and its board of directors.
James E. Young	61	2003	Mr. Young has served as president and chief executive officer of Citizens Trust Bank, a commercial bank, since 1998. He has served as a member of the board of directors of Citizens Trust Bank and Citizens Bancshares Corporation, a bank holding company, for more than five years. Mr. Young's experience as chief executive officer of Citizens Trust Bank and his successful career in the banking industry give him in-depth knowledge of banking and finance and provide him with broad leadership skills that benefit our company and its board of directors.

*Retiring Directors*

Name	Age	Director Since	Positions Held
Stephen G. Anderson	72	1977	Dr. Anderson retired in June 2001 from his private practice in Winston-Salem, North Carolina, where he had been a physician for more than five years. Dr. Anderson will retire as a director at the annual meeting.
John D. Hopkins	72	1989	Mr. Hopkins has served as a partner with Taylor English Duma LLP, a full-service law firm, since April 2009. Mr. Hopkins served as counsel with Womble Carlyle Sandridge & Rice, PLLC, a full-service law firm, from October 2003 until April 2009. Mr. Hopkins served as executive vice president and general counsel of Jefferson-Pilot Corporation, a holding company with insurance and broadcasting subsidiaries, from April 1993 until he retired in May 2003. Mr. Hopkins will retire as a director at the annual meeting.

*Corporate Governance*

*Corporate Governance Guidelines.* We have posted our corporate governance guidelines on our Internet website at [www.rocktenn.com](http://www.rocktenn.com).

*Director Independence.* Our board of directors annually conducts an assessment of the independence of each director in accordance with our corporate governance guidelines, applicable rules and regulations of the SEC, and the corporate governance standards of the NYSE. The board assesses each director's independence by reviewing any potential conflicts of interest and significant outside relationships. In determining each director's independence, the board broadly considers all relevant facts and circumstances, including specific criteria included in the NYSE's corporate governance standards. For these purposes, the NYSE requires the board to consider certain relationships that existed during a three-year look-back period. The board considers the issue not merely from the standpoint of a director, but also from the standpoint of persons or organizations with which the director has an affiliation. An independent director is free of any relationship with our company or our management that impairs the director's ability to make independent judgments.

The board of directors conducted an assessment of the independence of each director at its last regularly scheduled meeting. Based on this assessment, the board affirmatively determined that the following directors were independent: Dr. Anderson, Messrs. Brown, Chapman, Robert Currey, Felker, Gellerstedt, Hopkins, Spiegel and Young and Ms. Whyte. The board of directors determined that each of our current directors (other than Messrs. Russell Currey and Rubright) had no material relationship with our company (either directly or as a partner, shareholder or officer of an organization that has a material relationship with our company). The board determined that neither of Messrs. Russell Currey and Rubright is independent because Mr. Rubright is an employee of our company, and Mr. Russell Currey was an employee of our company until May 2008. The board determined that each of Dr. Anderson, Messrs. Robert Currey, Hopkins, Spiegel and Young and Ms. Whyte is independent because he or she had no significant relationship with our company (other than as a director and shareholder). The board determined that no relationship that any of Messrs. Brown, Chapman and Gellerstedt has with our company was material for purposes of determining his independence. In making that determination, the board considered the following relationships that each of Messrs. Brown, Chapman and Gellerstedt had with our company (one of which is also described under the heading *Certain Transactions* elsewhere in this proxy statement):

*J. Powell Brown.* Mr. Brown is the chief executive officer, president and a director of Brown & Brown, Inc. Our company made payments to Brown & Brown, Inc. for insurance services during fiscal 2010 as described

below under the heading *Certain Transactions*. Our board also considered similar payments made during fiscal 2009 and 2008. The board determined that these payments and relationships were not material for these purposes.

*Messrs. Brown and Gellerstedt*. Mr. Gellerstedt serves on the board of directors of SunTrust Bank, Atlanta, a subsidiary of SunTrust Banks, Inc. Mr. Brown served on the board of directors of SunTrust Bank/Central Florida, a subsidiary of SunTrust Banks, Inc., until April 2009. Our company made payments to SunTrust Banks, Inc. and its subsidiaries during fiscal 2010, 2009 and 2008 for various banking and financial consulting services, including for certain credit and cash management services. The aggregate of these payments did not exceed 1% of our gross revenues during fiscal 2010, 2009 or 2008 or 1% of SunTrust Bank's gross revenues during its fiscal years ended December 31, 2009, 2008 or 2007. The board determined that these payments and relationships were not material for these purposes.

*Robert M. Chapman*. Mr. Chapman was an executive officer of Duke Realty Corporation until November 2009. Our company made payments to a subsidiary of Duke Realty Corporation during fiscal 2010 for rent on a facility that one of our subsidiaries leases in Ohio. Our board also considered similar payments made during fiscal 2009 and 2008. The board determined that these payments and relationships were not material for these purposes.

Our company purchases products and services in the normal course of business from many suppliers and sells products and services to many customers. In some instances, these transactions occur with companies with which members of our board of directors have relationships as directors or executive officers. Further, members of the board have relationships as directors or executive officers with certain companies that hold or held our equity securities. For purposes of our board's affirmative determinations of director independence, none of these relationships was considered significant, either individually or collectively, except as described above or under the heading *Certain Transactions* elsewhere in this proxy statement. For these purposes, the board determined that these relationships were not material either individually or collectively.

*Director Self-Evaluation*. Our board of directors conducts an annual self-evaluation of the board, its committees and its individual members pursuant to our corporate governance guidelines. The nominating and corporate governance committee is responsible for overseeing the self-evaluation process and making a report to the board of directors pursuant to our corporate governance guidelines.

*Director Education*. Our board of directors has adopted a director education policy under which we will reimburse directors for tuition and all customary and reasonable expenses incurred in connection with attending a director education seminar once every two years. In addition, any director desiring to be reimbursed for additional programs may be reimbursed upon approval of the chairman of the nominating and corporate governance committee.

*Communicating with Our Directors*. So that shareholders and other interested parties may make their concerns known, we have established a method for communicating with our directors, including our presiding independent director and other non-management directors. There are two ways to communicate with our directors:

By mail: Rock-Tenn Company, 504 Thrasher Street, Norcross, Georgia 30071.

By facsimile: (770) 248-4402.

Communications that are intended specifically for our presiding independent director or other non-management directors should be marked **Attention: Independent Director Communications**. All other director communications should be marked **Attention: Director Communications**. Our legal department will facilitate all of these communications. We have posted a summary of this method for communicating with our directors on our Internet website at [www.rocktenn.com](http://www.rocktenn.com).

Our directors are encouraged to attend and participate in the annual meeting. All of our directors attended the annual meeting of shareholders held on January 29, 2010.

### *Codes of Business Conduct and Ethics*

*Employee Code of Business Conduct.* Our board of directors has adopted a code of business conduct for our employees. Failure to comply with this code of business conduct is a serious offense and will result in appropriate disciplinary action. We will disclose, to the extent and in the manner required by any applicable law or NYSE corporate governance standard, any waiver of any provision of this code of business conduct for executive officers of the company.

*Code of Business Conduct and Ethics for Board of Directors.* Our board of directors has also adopted a code of business conduct and ethics for our board of directors. Failure to comply with this code of business conduct and ethics is a serious offense and will result in appropriate disciplinary action. We will disclose, to the extent and in the manner required by any applicable law or NYSE corporate governance standard, any waiver of any provision of this code of business conduct and ethics.

*Code of Ethical Conduct for Chief Executive Officer and Senior Financial Officers.* Our board of directors has also adopted a code of ethical conduct for our principal executive officer (our chief executive officer), our principal financial officer (our chief financial officer), our principal accounting officer (our chief accounting officer) and other senior executive and senior financial officers specifically designated by our chief executive officer ( **CEO** ). These officers are expected to adhere at all times to this code of ethical conduct. Failure to comply with this code of ethical conduct for our chief executive officer and senior financial officers is a serious offense and will result in appropriate disciplinary action. Our board of directors and our nominating and corporate governance committee each has the authority to independently approve, in their sole discretion, any such disciplinary action as well as any amendment to and any waiver or material departure from a provision of this code of ethical conduct. We will disclose on our Internet website at [www.rocktenn.com](http://www.rocktenn.com), to the extent and in the manner permitted by Item 5.05 of Form 8-K under the Securities Exchange Act of 1934, as amended (which we refer to as the **Exchange Act** ), the nature of any amendment to this code of ethical conduct (other than technical, administrative, or other non-substantive amendments), our approval of any material departure from a provision of this code of ethical conduct, and our failure to take action within a reasonable period of time regarding any material departure from a provision of this code of ethical conduct that has been made known to any of our executive officers.

*Copies.* We have posted copies of each of these codes of business conduct and ethics on our Internet website at [www.rocktenn.com](http://www.rocktenn.com).

### *Director Nominations*

As provided in its charter, our nominating and corporate governance committee is responsible for evaluating and recommending candidates for the board of directors, including incumbent directors whose terms are expiring and potential new directors. The committee utilizes a variety of methods for identifying and evaluating nominees for director. The committee periodically assesses the appropriate size of the board and whether any vacancies on the board are expected due to retirement or otherwise. If no vacancies are anticipated, the committee considers the current qualifications of incumbent directors whose terms are expiring. If vacancies arise or the committee anticipates vacancies, the committee considers various potential candidates for director. Candidates may come to the attention of the committee through current board members, professional search firms the committee may seek to engage or other persons. In accordance with our bylaws, Dr. Anderson and Mr. Hopkins are retiring from the board at the annual meeting. Rather than replace Dr. Anderson and Mr. Hopkins, the board has decided to reduce the size of the board to 10 members. Other than Dr. Anderson's and Mr. Hopkins's retirements, our board of directors does not currently expect any additional board vacancies to arise in the near future due to retirement or otherwise. All of the nominees that the board has recommended for election by the shareholders, as described above under the heading **Election of Directors Recommendation of the Board of Directors**, are incumbent directors whose terms are expiring.

The nominating and corporate governance committee will also consider and evaluate candidates properly submitted for nomination by shareholders in accordance with the procedures set forth in our bylaws, which are

described below under the heading *Additional Information Shareholder Nominations for Election of Directors*. Following verification of the shareholder status of persons proposing candidates, the committee will aggregate and consider qualifying nominations. If a shareholder provides materials in connection with the nomination of a director candidate, our Corporate Secretary will forward the materials to the nominating and corporate governance committee. Based on its evaluation of any director candidates nominated by shareholders, the nominating and corporate governance committee will determine whether to include the candidate in its recommended slate of director nominees.

When the nominating and corporate governance committee reviews a potential new candidate, consistent with our corporate governance guidelines, the committee will apply the criteria it considers appropriate. The committee generally considers the candidate's qualifications in light of the needs of the board and our company at that time given the current mix of director attributes. Our corporate governance guidelines contain specific criteria for board and board committee membership. In accordance with our corporate governance guidelines, the board of directors will strive to select as candidates for board membership a mix of individuals who represent diverse experience at policy-making levels in business, government, education and technology, and in areas that are relevant to our company's activities as well as other characteristics that will contribute to the overall ability of the board to perform its duties and meet changing conditions. Our corporate governance guidelines also provide that each director must meet the following criteria:

Be free of conflicts of interest and other legal and ethical issues that would interfere with the proper performance of the responsibilities of a director (recognizing that some directors may also be executive officers of our company).

Be committed to discharging the duties of a director in accordance with the corporate governance guidelines and applicable law.

Be willing and able to devote sufficient time and energy to carrying out his or her duties effectively and be committed to serve on the board for an extended period of time.

Have sufficient experience to enable the director to meaningfully participate in deliberations of the board and one or more of its committees and to otherwise fulfill his or her duties.

Our bylaws also provide that directors must retire when they reach the age of 72, although they may continue to serve until the next annual or special meeting of shareholders at which directors are to be elected. The corporate governance guidelines also provide that any director who has a significant change in his or her full-time job responsibilities must give prompt written notice to the board of directors, specifying the details, and must submit to the board of directors a letter of resignation from the board of directors and from each committee of the board of directors on which the director serves. Submission of a letter of resignation provides the board of directors the opportunity to review the continued appropriateness of the director's membership on the board of directors and committees of the board of directors under the circumstances. The board of directors may reject or accept the letter of resignation as it deems to be appropriate.

The nominating and corporate governance committee also considers the candidate's independence, as defined in the corporate governance guidelines and in the corporate governance standards of the NYSE, as described above under the heading *Election of Directors Corporate Governance Director Independence*. The committee expects a high level of commitment from our directors and considers a candidate's service on other boards and board committees to ensure that the candidate has sufficient time to effectively serve our company.

#### *Meetings of the Board of Directors*

Our board of directors held five meetings during fiscal 2010. Each director attended at least 75% of all meetings of the board and committees combined on which they served in fiscal 2010.

### ***Leadership Structure***

Mr. Rubright has served as our chief executive officer since 1999 and our chairman of the board since 2000. The roles of chairman of the board and chief executive are currently combined because the board believes that this combined role, working in a structure in which we also have a presiding independent director, provides a strong governance structure for our company while promoting a clear focus for management to execute our strategy and business plans. Our board believes this structure allows our board to better benefit from Mr. Rubright's familiarity with our industry, business strategies and day to day operations.

*Meetings of Non-Management Directors.* Our non-management directors generally meet separately from the other directors in executive session before or after board meetings and board committee meetings. Pursuant to our corporate governance guidelines, our non-management directors will meet in regularly scheduled executive sessions after board meetings and at such other times as may be scheduled by our chairman of the board or by our presiding independent director.

*Presiding Independent Director.* Mr. Spiegel is currently serving as the presiding independent director in accordance with our corporate governance guidelines.

### ***Committees of the Board of Directors***

The board of directors has an executive committee, an audit committee, a compensation committee, and a nominating and corporate governance committee.

*Executive Committee.* Messrs. Gellerstedt, Hopkins, Rubright and Spiegel are members of the executive committee. Mr. Spiegel is chairman of the committee.

The executive committee is authorized to exercise the authority of the full board in managing the business and affairs of our company. However, the executive committee does not have the power to do any of the following: (1) approve or propose to shareholders action that Georgia law requires to be approved by shareholders; (2) fill vacancies on the board or any of its committees; (3) amend our charter; (4) adopt, amend or repeal our bylaws; or (5) approve a plan of merger not requiring shareholder approval.

The executive committee held no meetings during fiscal 2010.

*Audit Committee.* Dr. Anderson, Ms. Whyte and Messrs. Brown, Chapman, Spiegel and Young are members of the audit committee. Mr. Spiegel is chairman of the committee.

The board of directors has determined that Mr. Spiegel is an audit committee financial expert as that term is defined in Item 407(d)(5) of Regulation S-K under the Securities Act of 1933, as amended (which we refer to as the **Securities Act**), and the Exchange Act. The board of directors has also determined that all members of the committee are independent. See ***Election of Directors Corporate Governance Director Independence*** above.

The board of directors established the audit committee in accordance with Section 3(a)(58)(A) of the Exchange Act to assist the board of directors in fulfilling its responsibilities with respect to the oversight of the following: (1) the integrity of our financial statements; (2) our system of internal control over financial reporting; (3) the performance of our internal audit function; (4) the independence, qualifications and performance of our independent auditor; and (5) our system of compliance with legal and regulatory requirements. The principal duties and responsibilities of the audit committee are set forth in its charter, which was adopted by the board of directors. The audit committee may exercise additional authority prescribed from time to time by the board of directors.

The audit committee held five meetings during fiscal 2010, including meetings to review and discuss with the independent auditor and management our quarterly earnings releases as well as the financial statements and the disclosure under the heading *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in our quarterly reports on Form 10-Q and in our annual report on Form 10-K.

*Compensation Committee.* Ms. Whyte and Messrs. Felker, Gellerstedt and Spiegel are members of the compensation committee. The board of directors has determined that all members of the committee are independent. See *Election of Directors Corporate Governance Director Independence* above. Mr. Gellerstedt is chairman of the committee.

The purpose of the compensation committee is to assist the board of directors in fulfilling its responsibilities with respect to compensation of our executives and non-employee directors. The compensation committee is responsible for the following: (1) establishing salaries, bonuses and other compensation for our CEO and our other senior executives (13 senior executives in fiscal 2010, which included our 6 executive officers who served during fiscal 2010); and (2) administering our equity incentive plans, our employee stock purchase plan, our SERP (as defined below under *Executive Compensation Tables Retirement Plans SERP*), our Supplemental Plan (as defined below under *Executive Compensation Tables Retirement Plans Supplemental Retirement Savings Plan*) and our annual executive bonus program.

The committee's principal duties and responsibilities are to do the following:

except to the extent that the committee elects to seek the approval of the board of directors,

review and approve corporate goals and objectives relating to compensation of our CEO;

evaluate the CEO's performance in light of any of these goals and objectives; and

determine and approve the CEO's compensation level based on any such evaluation;

except to the extent that the committee delegates the responsibility to the CEO or elects to seek the approval of the board of directors,

review and approve goals, objectives and recommendations relating to the compensation of senior executives (other than the CEO) submitted to the committee by the CEO; and

approve the compensation for senior executives (other than the CEO);

adopt, amend and administer our equity plans, cash-based long-term incentive compensation plans and non-qualified deferred compensation plans, except as otherwise provided in those plans;

make recommendations to the board of directors with respect to compensation of our non-employee directors; and

prepare the report from the committee required by applicable law to be included in our annual proxy statement.

We describe the processes and procedures we use to consider and determine executive compensation, including the scope of authority of the compensation committee, the role of our CEO in determining or recommending executive compensation and the role of our compensation consultant, in this proxy statement in the section below titled *Executive Compensation Compensation Discussion and Analysis*.

The compensation committee held six meetings during fiscal 2010.





Compensation Committee Interlocks and Insider Participation. Messrs. Felker, Gellerstedt and Spiegel and Ms. Whyte comprised the entire compensation committee during all of fiscal 2010. None of the compensation committee is or has been an officer or employee of our company or had any relationship that is required to be disclosed as a transaction with a related party.

Nominating and Corporate Governance Committee. Dr. Anderson and Messrs. Robert Currey, Felker, Hopkins and Young are members of the nominating and corporate governance committee. Mr. Hopkins is chairman of the committee. The board of directors has determined that all members of the committee are independent. See *Election of Directors Corporate Governance Director Independence* above.

The purpose of the nominating and corporate governance committee is to serve as the primary resource for the board of directors in fulfilling its corporate governance responsibilities including, without limitation, with respect to identifying and recommending qualified candidates for our board of directors and its committees; overseeing the evaluation of the effectiveness of the board of directors and its committees; and developing and recommending corporate governance guidelines. The committee's principal duties and responsibilities are to do the following:

develop and recommend corporate governance guidelines and any changes to the corporate governance guidelines;

review and make recommendations regarding corporate governance proposals by shareholders;

lead the search for potential director candidates;

evaluate and recommend candidates for our board of directors, including incumbent directors whose terms are expiring and potential new directors;

assist in the process of attracting qualified director nominees;

evaluate and recommend changes to the size, composition and structure of the board of directors and its committees;

evaluate and recommend changes to the membership criteria for the board of directors and its committees;

develop and recommend to the board of directors and, when approved by the board of directors, oversee an annual self-evaluation process for the board of directors and its committees in accordance with the corporate governance guidelines and recommend to the board of directors any changes to the process that the committee considers appropriate;

consult with the compensation committee regarding non-employee director compensation, as requested, in accordance with the corporate governance guidelines; and

recommend orientation and education procedures for directors as the committee considers appropriate.

The nominating and corporate governance committee will also consider and evaluate candidates properly submitted for nomination by shareholders in accordance with the procedures set forth in our bylaws, which are described below under the heading *Additional Information Shareholder Nominations for Election of Directors*. See also *Election of Directors Director Nominations* above.

The nominating and corporate governance committee held two meetings during fiscal 2010.



*Copies of Committee Charters.* We have posted on our Internet website at *www.rocktenn.com* copies of the charters of each of the audit committee, the compensation committee and the nominating and corporate governance committee.

***Board of Directors Role in Risk Management***

Our board of directors has responsibility for the oversight of risk management at our company and implements its oversight function both as a whole and through delegation to its committees. The board recognizes that it is neither possible nor desirable to eliminate all risk. Rather, the board of directors views appropriate risk taking as essential to the long-term success of our company and seeks to understand and oversee critical business risks in the context of our business strategy, the magnitude of the particular risks and the proper allocation of our company's resources. The board of directors and its committees receive regular reports from members of senior management on areas of material risk to the company, including operational, financial, strategic, competitive, reputational, legal and regulatory risks, and how those risks are managed.

Various aspects of the board of directors' risk oversight are delegated to its committees, which meet regularly and report back to the full board. The following committees play significant roles in carrying out the risk oversight function:

Our audit committee oversees risks related to our company's financial statements, the financial reporting and disclosure processes, the financial and other internal controls, accounting and legal matters. The audit committee also oversees the internal audit function. Our independent outside auditors and the director of our internal audit department regularly identify and discuss with the audit committee risks and related mitigation measures that may arise during their regular reviews of our company's financial statements and audit work. The audit committee meets separately on a regular basis with representatives of our independent auditing firm, the director of our internal audit department and our general counsel.

Our compensation committee evaluates the risks and rewards associated with our company's compensation philosophy and programs. The compensation committee reviews and approves compensation programs with features designed to reward long-term achievement and discourage excessive short-term risk taking. An executive compensation consulting firm hired by the compensation committee advises the committee with respect to our executive compensation practices and programs, including the risks associated with each of them. We believe that our compensation policies and principles in conjunction with our internal oversight of those policies and principles reduce the possibility of imprudent risk taking.

Our nominating and corporate governance committee monitors our corporate governance practices against applicable requirements, including those of the NYSE, and against evolving developments and is responsible for our codes of conduct and ethics, including the code of business conduct applicable to our employees. The nominating and corporate governance committee also considers issues associated with the independence of our board members.

Our general counsel informs each committee and the board of directors of relevant legal and compliance issues, and each committee also has access to our company's outside counsel when they deem it advisable. Each committee also understands that it has the authority to engage such independent counsel as the committee deems necessary to carry out its duties and responsibilities.

Annually, our CEO and chief financial officer make a presentation to our board of directors about risks associated with our business and how our company manages and mitigates those risks. Because overseeing risk is an ongoing process, the board of directors also discusses risk throughout the year at other meetings in relation to proposed actions or discussions with respect to various aspects of our operations.

We believe that the board of directors' approach to risk oversight provides a framework for the board in conjunction with management of our company to assess the various risks, make informed decisions and approach existing and emerging risks in a proactive manner for our company.

### Compensation of Directors

The following table provides information concerning the compensation of the directors who are not named executive officers for fiscal 2010. Except as noted below, all of our non-employee directors are paid at the same rate. The differences among directors in the table below are a function of additional compensation for chairing a committee, varying numbers of meetings attended and corresponding payments of meeting fees. In accordance with SEC regulations, grants of restricted stock are valued at the grant date fair value computed in accordance with the Financial Accounting Standards Board's Accounting Standards Codification 718, *Compensation Stock Compensation* (which we refer to as **ASC 718**). The fair value per share of grants of restricted stock awarded in fiscal 2010 is equal to the closing sale price of our Common Stock on the NYSE on the date of grant (*i.e.*, \$42.69 on January 29, 2010). We disclose such expense ratably over the vesting period but without reduction for assumed forfeitures (as we do for financial reporting purposes). We include in the table below the ratable portion of grants made both in the current and in prior years to the extent the vesting period for these grants fell in such a year.

For fiscal 2010, directors who are not employees of our company received \$32,500 for a full year of service, plus \$2,000 for each board and committee meeting attended in person and \$1,000 for each meeting attended via conference call. Each director who chairs a committee and is not an employee of our company received an additional \$5,000 except for the chairman of our audit committee who received an additional \$10,000. In addition, each non-employee director received, on January 29, 2010, pursuant to the Rock-Tenn Company 2004 Incentive Stock Plan (which we refer to as our **2004 Incentive Stock Plan**), a grant of 2,000 shares of our Common Stock that will vest on January 29, 2011.

*Director Compensation Table for Fiscal 2010*

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	Option Awards (\$)(3)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
Stephen G. Anderson	\$ 53,500	\$ 83,127	\$ 0	\$ 0	\$ 0	\$ 1,275	\$ 137,902
J. Powell Brown	\$ 31,666	\$ 57,162	\$ 0	\$ 0	\$ 0	\$ 900	\$ 89,728
Robert M. Chapman	\$ 50,500	\$ 83,127	\$ 0	\$ 0	\$ 0	\$ 1,275	\$ 134,902
Robert B. Currey	\$ 45,500	\$ 83,127	\$ 0	\$ 0	\$ 0	\$ 1,275	\$ 129,902
Russell M. Currey	\$ 41,500	\$ 83,127	\$ 0	\$ 0	\$ 22,999	\$ 151,362	\$ 298,988
G. Stephen Felker	\$ 49,500	\$ 83,127	\$ 0	\$ 0	\$ 0	\$ 1,275	\$ 133,902
L.L. Gellerstedt III	\$ 52,500	\$ 83,127	\$ 0	\$ 0	\$ 0	\$ 1,275	\$ 136,902
John D. Hopkins	\$ 49,500	\$ 83,127	\$ 0	\$ 0	\$ 0	\$ 1,275	\$ 133,902
John W. Spiegel	\$ 73,500	\$ 83,127	\$ 0	\$ 0	\$ 0	\$ 1,275	\$ 157,902
Bettina M. Whyte	\$ 52,500	\$ 83,127	\$ 0	\$ 0	\$ 0	\$ 1,275	\$ 136,902
James E. Young	\$ 50,500	\$ 83,127	\$ 0	\$ 0	\$ 0	\$ 1,275	\$ 134,902

- (1) Non-employee directors received stock awards on January 29, 2010. Amounts for 2010 stock awards are based on the closing sale price of our Common Stock on the NYSE of \$42.69 on January 29, 2010. We report in this column the ratable portion of the value of grants made in fiscal 2010 and prior years calculated in accordance with ASC 718, to the extent the vesting period fell in fiscal 2010. Please refer to Note 17 to our financial statements in our annual report on Form 10-K for the fiscal year ended September 30, 2010 for a discussion of the assumptions related to the calculation of such value.

- (2) As of November 26, 2010, the aggregate number of unvested restricted stock awards held by each director other than Mr. Rubright was as follows: Dr. Anderson, 2,000 shares; Mr. Brown, 2,000 shares; Mr. Chapman, 2,000 shares; Mr. Robert Currey, 2,000 shares; Mr. Russell Currey, 2,000; Mr. Felker, 2,000 shares; Mr. Gellerstedt, 2,000 shares; Mr. Hopkins, 2,000 shares; Mr. Spiegel, 2,000 shares; Ms. Whyte 2,000 shares; and Mr. Young, 2,000 shares.
- (3) As of November 26, 2010, the aggregate number of unexercised stock options (vested and unvested) held by each director other than Mr. Rubright was as follows: Dr. Anderson, none; Mr. Brown, none; Mr. Chapman, none; Mr. Robert Currey, 14,000; Mr. Russell Currey, none; Mr. Felker, 14,000; Mr. Gellerstedt, 14,000; Mr. Hopkins, 14,000; Mr. Spiegel, none; Ms. Whyte, none; and Mr. Young, 8,000.
- (4) This column shows the increase from September 30, 2009 to September 30, 2010 in the actuarial present value of accumulated benefits for Mr. Russell Currey under the Pension Plan (as defined below under *Executive Compensation Tables Retirement Plans Pension Plan*). It does not include any above-market or preferential earnings on deferred compensation, as we do not provide above-market or preferential interest on the deferred compensation of our employees. Although he did not accrue additional benefits in fiscal 2010, the present value of Mr. Russell Currey's qualified pension benefits increased due to the changes in the actuarial assumptions used to calculate the present value of the pension benefits. The amounts set forth in this column were calculated using the assumptions from the corresponding end-of-year disclosures. Accrued benefits payable at age 65 were determined as of Mr. Russell Currey's employment termination date, which was May 10, 2008. The accrued benefit was discounted back to the disclosure date with the discount rate only. The discount rates used as of September 30, 2009 and September 30, 2010 were 5.53% and 5.413%, respectively. The post-retirement mortality table used was RP-2000 Combined Healthy with White Collar adjustment for males and females projected to 2010 with Scale AA.
- (5) No non-employee director received perquisites or personal benefits in excess of \$10,000 other than Mr. Russell Currey. Pursuant to SEC regulations, we report our perquisites only when our aggregate incremental cost of providing them to any individual exceeds \$10,000. This column includes dividends on unvested restricted stock paid to each non-employee director during fiscal 2010. Mr. Russell Currey, who was previously employed with us, resigned from his employment effective as of May 10, 2008. We agreed to continue paying him as severance an amount equal to his salary of \$247,500 per year for a period of two years from the date of his separation from us, provided that he does not accept employment with a competing business. Accordingly, the amount set forth in this column with respect to Mr. Russell Currey consists of payments we made to him in fiscal 2010 in the amount of \$150,087 in salary continuation payments.

**COMMON STOCK OWNERSHIP BY MANAGEMENT  
AND PRINCIPAL SHAREHOLDERS**

The table below shows, as of November 26, 2010, how many shares of our Common Stock each of the following beneficially owned: named executive officers (as defined below under *Executive Compensation Compensation Discussion and Analysis Introduction* ), our directors, owners of 5% or more of our Common Stock and our directors and our executive officers as a group. Under the rules of the SEC, a person beneficially owns securities if that person has or shares the power to vote or dispose of the securities. The person also beneficially owns securities that the person has the right to purchase within 60 days. Under these rules, more than one person may be deemed to beneficially own the same securities, and a person may be deemed to beneficially own securities in which he or she has no financial interest. Except as shown in the footnotes to the table, the shareholders named below have the sole power to vote or dispose of the shares shown as beneficially owned by them.

Directors and	Beneficial Ownership of Common Stock	
Named Executive Officers	Number of Shares(1)	Percent of Class(2)
James A. Rubright(3)	365,709	*
Michael E. Kiepura(4)	78,043	*
James B. Porter III(5)	8,958	*
Steven C. Voorhees(6)	248,980	*
Robert B. McIntosh(7)	117,641	*
Stephen G. Anderson(8)	429,577	1.11%
J. Powell Brown	5,000	*
Robert M. Chapman	5,000	*
Robert B. Currey(9)	135,182	*
Russell M. Currey(10)	547,406	1.42%
G. Stephen Felker(11)	34,000	*
Lawrence L. Gellerstedt III(12)	26,000	*
John D. Hopkins(13)	35,964	*
John W. Spiegel(14)	38,379	*
Bettina M. Whyte	5,000	*
James E. Young(15)	11,000	*
All directors and executive officers as a group (17 persons)(16)	2,143,873	5.48%
<b>Shareholders</b>		
BlackRock, Inc.(17)	3,950,925	10.18%
LSV Asset Management(18)	2,023,850	5.20%

\* Less than 1%.

- (1) These shares include certain restricted stock awards that were granted to our executive officers on May 8, 2006, May 10, 2007 and March 19, 2008, some of which had not vested as of November 26, 2010. These persons have the power to vote and receive dividends on these shares, but do not have the power to dispose of, or to direct the disposition of, the shares until the shares are vested pursuant to the terms of the restricted stock grants.

(2) Based on an aggregate of shares of Common Stock issued and outstanding as of November 26, 2010 plus, for each individual, the number of shares of Common Stock issuable upon exercise of outstanding stock options that are or will become exercisable on or prior to January 25, 2011.

(3) Share balance includes:

131,500 shares issuable upon exercise of stock options beneficially owned by Mr. Rubright; and

93,917 shares of restricted stock granted to Mr. Rubright.

(4) Share balance includes:

20,325 shares issuable upon exercise of stock options beneficially owned by Mr. Kiepora; and

26,250 shares of restricted stock granted to Mr. Kiepora.

(5) Share balance includes 7,425 shares issuable upon exercise of stock options beneficially owned by Mr. Porter.

(6) Share balance includes:

78,034 shares issuable upon exercise of stock options beneficially owned by Mr. Voorhees; and

26,250 shares of restricted stock granted to Mr. Voorhees.

(7) Share balance includes:

37,533 shares issuable upon exercise of stock options beneficially owned by Mr. McIntosh; and

19,650 shares of restricted stock granted to Mr. McIntosh.

(8) Share balance includes:

193,381 shares deemed beneficially owned by Dr. Anderson as trustee of a trust for which he is the trustee, grantor and beneficiary;  
and

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236,196 shares deemed beneficially owned by Dr. Anderson's spouse as trustee for a trust for which she is the trustee, grantor and beneficiary.

(9) Share balance includes:

14,000 shares issuable upon exercise of stock options beneficially owned by Mr. Robert Currey; and

113,359 shares held in joint tenancy with Mr. Robert Currey's spouse.

(10) Share balance includes:

69,808 shares deemed beneficially owned by Mr. Russell Currey as trustee of a trust for the benefit of his mother; and

359,928 shares owned by Mr. Bradley Currey for which Mr. Russell Currey is the proxy agent.

(11) Share balance includes 14,000 shares issuable upon exercise of stock options beneficially owned by Mr. Felker.

(12) Share balance includes:

14,000 shares issuable upon exercise of stock options beneficially owned by Mr. Gellerstedt; and

73 shares held by Mr. Gellerstedt's daughter.

(13) Share balance includes:

14,000 shares issuable upon exercise of stock options beneficially owned by Mr. Hopkins;

100 shares held by Mr. Hopkins's spouse; and

1,000 shares deemed beneficially owned by Mr. Hopkins as trustee of a trust for which he is the trustee, grantor and beneficiary.

(14) Share balance includes 38,379 shares deemed beneficially owned by Mr. Spiegel as trustee of a revocable trust for which he is the trustee, grantor and beneficiary.



(15) Share balance includes 8,000 shares issuable upon exercise of stock options beneficially owned by Mr. Young.

(16) Share balance includes:

351,462 shares issuable upon exercise of stock options beneficially owned by our directors and executive officers; and

174,267 shares of restricted stock beneficially owned by our directors and executive officers.

(17) This information is based upon BlackRock's Schedule 13G/A filed with the SEC on April 9, 2010. BlackRock's address is 55 East 52nd Street, New York, NY 10055. According to its Schedule 13G/A, on December 1, 2009, BlackRock completed its acquisition of Barclays Global Investors from Barclays Bank PLC. As a result, substantially all of the Barclays Global Investors entities are now included as subsidiaries on BlackRock for purposes of Schedule 13G filings.

(18) This information is based upon LSV Asset Management's Form 13F-HR for the period ended September 30, 2010, filed with the SEC on November 15, 2010. LSV's address is 155 N. Wacker Drive, Suite 4600, Chicago, IL 60606.

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**EXECUTIVE OFFICERS**
*Identification of Executive Officers*

The executive officers of our company are as follows as of December 17, 2010:

<b>Name</b>	<b>Age</b>	<b>Position Held</b>
James A. Rubright	64	Chairman of the Board and Chief Executive Officer
Michael E. Kiepura	54	Executive Vice President
James B. Porter III	59	Executive Vice President
Steven C. Voorhees	56	Executive Vice President, Chief Financial Officer and Chief Administrative Officer
Robert B. McIntosh	53	Executive Vice President, General Counsel and Secretary
A. Stephen Meadows	60	Chief Accounting Officer

James A. Rubright has served as our CEO since October 1999 and chairman of the board since January 2000. Mr. Rubright is also a director of AGL Resources Inc., an energy company, and Forestar Group Inc., a company engaged in real estate and mineral and fiber resources businesses.

Michael E. Kiepura has served as executive vice president with responsibility for our consumer packaging business since July 2008. From June 2005 to July 2008, Mr. Kiepura was the executive vice president of our folding carton division. From August 2001 to June 2005, Mr. Kiepura was the senior vice president of sales in the folding carton division. From November 1999 to July 2001, Mr. Kiepura was senior vice president, eastern region, folding carton division.

James B. Porter III has served as executive vice president with responsibility for our corrugated packaging business since July 2008. Mr. Porter joined our company in connection with our acquisition of Southern Container Corp. in March 2008. Prior to his appointment as executive vice president, Mr. Porter served as the president and chief operating officer of Southern Container from 2004 and served as the president of Solvay Paperboard, a subsidiary of Southern Container, from 1997 through 2004.

Steven C. Voorhees has served as our executive vice president and chief financial officer since September 2000. Mr. Voorhees has also served as our chief administrative officer since July 2008.

Robert B. McIntosh has served as our executive vice president, general counsel and secretary since January 2009. Mr. McIntosh served as our senior vice president, general counsel and secretary since August 2000.

A. Stephen Meadows joined our company in July 2006 and was elected as our chief accounting officer in November 2006. From March 2005 to March 2006, Mr. Meadows was chief accounting officer of Drummond Company, Inc., which is principally engaged in the business of mining, purchasing, processing and selling of coal as well as real estate development. From May 2002 to January 2005, Mr. Meadows was vice president finance and risk management at a subsidiary of Progress Energy, a diversified energy company.

All of our executive officers are elected annually by and serve at the discretion of either the board of directors or the chairman of the board.

## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

#### Introduction

In this section, we discuss our compensation program as it pertains to our chief executive officer, our chief financial officer, and our three other most highly-compensated executive officers who were serving at the end of fiscal 2010. We refer to these five persons throughout as the **named executive officers** or our **NEOs**. Our discussion focuses on compensation and practices relating to our most recently completed fiscal year.

#### Executive Compensation Philosophy

Our executive compensation philosophy is based on the belief that the compensation of our employees, including our named executive officers, should be set at levels that allow us to attract and retain employees who are committed to achieving high performance and who demonstrate the ability to do so. We seek to provide an executive compensation package that is driven by our overall financial performance, increased shareholder value, the success of areas of our business directly impacted by the executive's performance, and the performance of the individual executive. We view our compensation program as a strategic tool that supports the successful execution of our business strategy. The core principles of this strategy include the following:

making compensation decisions that are based on a pay-for-performance model, thereby linking a substantial portion of total direct compensation to variable at risk pay;

long-term incentives (which we refer to as **LTI**) should be used in addition to short-term incentives (which we refer to as **STI**) to encourage a focus on long-term decision making, and to align our incentives with the time horizons of our various strategic challenges;

equity compensation should be used in addition to cash compensation to align the interests of our executives with the interests of our shareholders;

compensation should reflect an employee's level of responsibility and contribution, and the greater the responsibility, the greater the share of an employee's compensation that should be at risk with respect to long-term performance; and

overall compensation must be competitive relative to other comparable organizations in order to attract superior executives. The following table shows the use of these principles in the weighting of the target total direct compensation elements used in fiscal 2010:

	Mr. Rubright (Chairman and CEO)		NEOs (Other than CEO)
Base Salary(1)	19%	Base Salary(1)	27%
Target Bonus	24%	Target Bonus	22%
Target LTI	57%	Target LTI	51%
Target Variable	81%	Target Variable	73%
LTI vs. STI	70%/30%	LTI vs. STI	70%/30%
Equity vs. Cash(1)	57%/43%	Equity vs. Cash(1)	51%/49%

(1) Amounts calculated using base salaries as of January 1, 2010.

***Objectives of Our Executive Compensation Program***

The objectives of our executive compensation program are to create a clear path between realized compensation and the successful execution of our business strategy; attract and retain high quality executives capable of and committed to achieving superior performance; enhance each individual executive's performance; align incentives with the areas of our business most directly impacted by the executive's leadership and performance; improve the overall performance of our company; increase shareholder value by creating a mutuality of interest between the executive officers and shareholders through equity compensation structures that promote the sharing of the risks and rewards of strategic decision-making; and enhance the financial effectiveness of the program by taking into consideration the accounting treatment, deductibility and taxation of compensation decisions.

***Administration of Our Executive Compensation Program***

Our executive compensation program is administered by the compensation committee of our board of directors. As reflected in its charter, the compensation committee approves executive compensation corporate and individual goals and objectives, determines the compensation of our CEO and our other 12 senior executives, and evaluates our CEO's performance relative to established goals and objectives.

Over the course of each year, the compensation committee reviews the relationship between our executive compensation program and the achievement of business objectives, as well as the competitiveness of the program.

The compensation committee retains a compensation consulting firm to provide objective analysis, advice and information to the compensation committee, including competitive market data and compensation recommendations related to our CEO and our 12 other senior executives. Mercer served as the executive compensation consultant to the compensation committee during fiscal 2010, while Hay Group serves as the current executive compensation consultant. The compensation consultant reports to the chairman of the compensation committee and has direct access to the other members of the compensation committee. The compensation consultant attends committee meetings and also meets with the compensation committee in person in executive sessions without management present. The decisions made by the compensation committee are the responsibility of the committee and may reflect factors and considerations other than the information and recommendations provided by the compensation consultant. Mercer did not provide us with other services in fiscal 2010 other than asset liability analysis services and performance evaluation services related to our defined benefit retirement plans and our defined contribution plans. Hay Group does not provide us with any other services.

The compensation committee considers input from our CEO in making determinations regarding our overall executive compensation program and the individual compensation of the senior executives other than our CEO. As part of the annual planning process, our CEO develops targets for our annual bonus program and presents them to the compensation committee for consideration. Based on performance appraisals and information regarding competitive market practices provided by the compensation consultant, our CEO recommends base salary adjustments, annual bonus opportunities, and long-term incentives levels for our senior executives other than our CEO. Each year, our CEO presents to the compensation committee and the non-management directors his evaluation of each senior executive's contribution and performance over the past year, strengths and development needs and actions, and reviews succession plans for each of our senior executives.

After taking into account input from our CEO and the compensation consultant, the compensation committee determines what changes, if any, should be made to the executive compensation program and sets the level of compensation for each senior executive with respect to each element in the compensation program. In setting these levels, the compensation committee reviews a detailed analysis of each senior executive's annual total direct compensation (base salary, annual bonus opportunity and long-term incentives), including the competitive market data discussed below and the value of benefits under our retirement plans and reviews compensation tally sheets with respect to our most senior executives that set forth each element of the executives' compensation and benefits.

*Consideration of Competitive Market Data Regarding Executive Compensation*