

PACKAGING CORP OF AMERICA

Form DEF 14A

April 21, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)**

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 Pursuant to §240.14a-12

Packaging Corporation of America

(Name of Registrant as Specified In Its Charter)

N/A

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

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(3) Filing Party:

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PACKAGING CORPORATION OF AMERICA

April 21, 2009

Dear PCA Stockholder:

You are cordially invited to attend the 2009 Annual Meeting of Stockholders to be held at our corporate office, located at 1900 West Field Court, Lake Forest, Illinois, on Wednesday, May 27, 2009 at 8:30 a.m., central time.

Following this page is the formal notice of the meeting and our Proxy Statement. Also enclosed is a proxy or voting instruction card, a postage-paid envelope and our 2008 Annual Report to Stockholders.

It is important to ensure that your shares are represented at the meeting. Whether or not you expect to attend the meeting, please vote your shares by following the instructions on the enclosed proxy or voting instruction card regarding each of these voting options.

Sincerely,

Paul T. Stecko
*Chairman and
Chief Executive Officer*

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**PACKAGING CORPORATION OF AMERICA
1900 West Field Court
Lake Forest, Illinois 60045
(847) 482-3000**

**NOTICE OF THE
2009 ANNUAL MEETING OF STOCKHOLDERS
May 27, 2009**

The Annual Meeting of Stockholders of Packaging Corporation of America will be held at our corporate office located at 1900 West Field Court, Lake Forest, Illinois, on Wednesday, May 27, 2009, beginning at 8:30 a.m., central time. The purpose of the meeting is to:

elect the seven nominees for director named in the accompanying proxy statement for a one-year term to expire at the 2010 Annual Meeting of Stockholders;

ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm to serve as our auditors;

approve the amendment and restatement of our 1999 Long-Term Equity Incentive Plan; and

consider any other matters that properly come before the meeting and any postponement or adjournment thereof.

Only stockholders of record at the close of business on March 30, 2009 are entitled to receive notice of and to vote at the meeting or any postponement or adjournment thereof.

Your vote is important. Whether you plan to attend the meeting or not, you are urged to vote your shares by following the instructions on the enclosed proxy or voting instruction card. If you do attend the meeting, you may vote in person, even if you have returned a proxy card.

By Order of the Board of Directors,

Kent A. Pflederer
Vice President, General Counsel and
Corporate Secretary

April 21, 2009

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**PACKAGING CORPORATION OF AMERICA
1900 West Field Court
Lake Forest, Illinois 60045
(847) 482-3000**

PROXY STATEMENT

This proxy statement contains information related to our 2009 Annual Meeting of Stockholders to be held on May 27, 2009, at 8:30 a.m., central time, at our corporate office located at 1900 West Field Court, Lake Forest, Illinois, or at such other time and place to which the annual meeting may be adjourned or postponed. The enclosed proxy is solicited by our board of directors. The proxy materials relating to the annual meeting are first being mailed on or about April 21, 2009 to stockholders entitled to vote at the meeting.

ABOUT THE MEETING

What is the purpose of the annual meeting?

At the annual meeting, stockholders will act upon the matters outlined in the accompanying notice of meeting, including the following:

electing our board of directors for a one-year term to expire at the 2010 Annual Meeting of Stockholders;

ratifying the appointment of Ernst & Young LLP as the independent registered public accounting firm to serve as our auditors; and

the amendment and restatement of our 1999 Long-Term Equity Incentive Plan.

What are the voting recommendations of the Board of Directors?

The board of directors recommends that you vote your shares:

FOR each of the director nominees;

FOR ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm to serve as our auditors; and

FOR the amendment and restatement of our 1999 Long-Term Equity Incentive Plan.

Who is entitled to vote at the meeting?

Only stockholders of record at the close of business on the record date, March 30, 2009, are entitled to receive notice of the annual meeting of stockholders and to vote their shares of our common stock that they held on that date at the meeting, or any postponement or adjournment of the meeting. Except as otherwise required by law, holders of our

common stock are entitled to one vote per share on each matter to be voted upon at the meeting.

As of March 30, 2009, we had 102,398,867 shares of our common stock outstanding.

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Who can attend the meeting?

All stockholders as of the record date, or their duly appointed proxies, may attend the meeting upon presentation of proper identification. Registration and seating will begin at 8:00 a.m., central time. Cameras, recording devices and other electronic devices will not be permitted at the meeting. You may obtain directions to the meeting place by calling our corporate offices at (847) 482-3000.

Please note that if you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of your voting instruction card or a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting.

What constitutes a quorum?

A quorum is necessary to hold a valid meeting. The presence at the meeting, in person or by proxy, of the holders of a majority of our outstanding common stock on the record date will constitute a quorum for our meeting. Broker non-votes and proxies received but marked as abstentions will be included as present for purposes of establishing a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for the particular matter and has not received instructions from the beneficial owner. We expect that nominees will have discretionary authority for the election of directors and the ratification of the independent registered public accounting firm, but not for the amendment and restatement of our 1999 Long-Term Equity Incentive Plan.

If a quorum is not present at the annual meeting, the stockholders present may adjourn the annual meeting from time to time, without notice, other than by announcement at the meeting, until a quorum is present or represented. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting.

How do I vote if shares are held in my name?

If the shares of our common stock are held in your name, you can vote on matters to come before the meeting in two ways:

by completing, dating and signing the enclosed proxy card and returning it in the enclosed postage-paid envelope; or

by written ballot at the meeting.

Your shares will be voted as you indicate. If you return the proxy card but you do not indicate your voting preferences, then the proxies named on the proxy card will vote your shares *for* all of the directors nominated, *for* the ratification of the appointment of Ernst & Young LLP and *for* the amendment and restatement of the 1999 Long-Term Equity Incentive Plan. Should any other matter requiring a vote of stockholders arise, the stockholders confer upon the proxies discretionary authority to vote the shares represented by such proxy on any such other matter in accordance with their best judgment. All of the proxies are our officers.

How do I vote if I hold my shares through a broker, bank or other nominee?

Stockholders whose shares of our common stock are held in street name must either direct the record holder of their shares as to how to vote their shares of our common stock or obtain a proxy from the record holder to vote at the meeting. These stockholders should check the voting instruction cards used by their brokers or nominees for specific

instructions on methods of voting, including by telephone or using the Internet.

How do I vote shares I hold in the 401(k) plan?

If you are one of our employees who holds common stock through the PCA Common Stock Fund under the Packaging Corporation of America Retirement Savings Plan for Salaried Employees or the Packaging Corporation of America Thrift Plan for Hourly Employees, you will receive from the plan trustee a request for

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voting instructions with respect to the shares of our common stock representing your proportionate interest in the plans. You are entitled to direct the plan trustee how to vote your proportionate interest of shares in the plans as well as a portion of any shares for which no timely voting instructions are received from other participants. If you do not give voting instructions to the plan trustee within the time specified by the plan trustee, your proportionate interest of shares in the plans will be voted by the plan trustee in the same proportion as shares held by the plan trustee for which voting instructions have been received. You may revoke your previously given voting instructions by filing with Computershare Trust Company, N.A., the tabulator of votes and our transfer agent, either a written notice of revocation or a properly completed and signed voting instruction card bearing a later date. Computershare must receive the notice of revocation or the voting instruction card no later than May 22, 2009.

How do I change my vote?

If your shares are held in your name, you may revoke your proxy at any time before it is exercised by:

filing a written notice of revocation with our corporate secretary;

signing and delivering another proxy bearing a later date; or

attending the meeting and casting your vote in person.

If your shares are held in street name, you must contact your broker or nominee to revoke your proxy. In either case, your last vote will be the vote that is counted.

What vote is required to approve each item?

Election of Directors. A plurality of the voting power present in person or represented by proxy and entitled to vote at the meeting is required for the election of each director. Accordingly, the seven nominees receiving the most votes will be elected to the board. Only shares that are voted in favor of a particular nominee will be counted towards that nominee's achievement of a plurality. Shares present at the annual meeting that are not voted for a particular nominee, shares present in person or represented by proxy where the stockholder properly withholds authority to vote for such nominee, and broker non-votes, if any, will not be counted towards such nominee's achievement of a plurality.

Ratification of Ernst & Young LLP. The affirmative vote of the majority of the votes present in person or represented by proxy and entitled to vote at the meeting is required to ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm to serve as our auditors for the year ended December 31, 2009. If a stockholder abstains from voting or directs the stockholder's proxy to abstain from voting on the matter, the shares are considered present at the meeting for such matter, but since they are not affirmative votes for the matter, they will have the same effect as votes against the matter. On the other hand, shares resulting in broker non-votes, if any, are not entitled to vote for such matter and will have no effect on the outcome of the vote.

Amendment and Restatement of 1999 Long-Term Equity Incentive Plan. The affirmative vote of the majority of the votes cast on the matter is required to approve the amendment and restatement of our 1999 Long-Term Equity Incentive Plan, provided that shareholders holding a majority of the shares outstanding on the record date actually cast votes on the matter. Abstentions are considered votes cast for this purpose, but broker non-votes are not. If a shareholder abstains from voting or directs the shareholder's proxy to abstain from voting on the matter, the shares are considered to have been cast at the meeting with respect to such matter, but since they are not affirmative votes for the matter, they will have the same effect as votes against the matter. On the other hand, shares resulting in broker non-votes are not entitled to vote for the matter and, therefore, have the practical effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the

majority is calculated.

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Who will be tabulating and certifying votes at the meeting?

We have engaged Computershare Trust Company, N.A., our transfer agent, to serve as the tabulator of votes and a representative of Computershare to serve as inspector of election and certify the votes.

How are we soliciting this proxy?

We are soliciting this proxy on behalf of our board of directors by mail and will pay all expenses associated with this solicitation. We have retained Georgeson Inc. to aid in the solicitation of proxy materials for a fee of \$8,000 plus expenses. In addition to mailing these proxy materials, certain of our officers and other employees may, without additional compensation, solicit proxies by further mailing or personal conversations, or by telephone, facsimile or other electronic means. We will also, upon request, reimburse brokers and other persons holding stock in their names, or in the names of nominees, for their reasonable out-of-pocket expenses for forwarding proxy materials to the beneficial owners of our common stock and to obtain proxies.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2009
ANNUAL MEETING OF STOCKHOLDERS**

TO BE HELD ON WEDNESDAY, MAY 27, 2009

**This proxy statement and our 2008 Annual Report to Stockholders are available at
www.edocumentview.com/pkg.**

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ELECTION OF DIRECTORS

ITEM NO. 1 ON PROXY CARD

Our board of directors has seven members, all of whom are elected annually. The seven nominees named below are proposed to be elected at this annual meeting to serve until the 2010 Annual Meeting of Stockholders and until their successors are elected and qualified. All of the nominees have been nominated for election by our board of directors upon the recommendation of the nominating and governance committee of the board of directors.

Our director, Rayford K. Williamson, will retire from the board effective upon the 2009 Annual Meeting of Stockholders. James D. Woodrum is being nominated to fill the vacant seat resulting from such retirement.

A properly submitted proxy will be voted by the persons named on the proxy card for the election of each nominee, unless you indicate that your vote should be withheld. If elected, each nominee will serve until the expiration of his or her term and his or her successor is elected and qualified or until his or her earlier resignation, removal or death. Each of the nominees is willing to serve if elected, and the board of directors has no reason to believe that any of the nominees will be unavailable for election, but if such a situation should arise, the proxy will be voted in accordance with the best judgment of the proxy holder for such person or persons as may be designated by the board of directors, unless the shareholder has directed otherwise.

Set forth below is information regarding each nominee. Standing for election are:

Paul T. Stecko is 64 years old and has served as Chief Executive Officer of PCA since January 1999 and as Chairman of the Board since March 1999. From November 1998 to April 1999, Mr. Stecko served as President and Chief Operating Officer of Tenneco Inc. From January 1997 to November 1998, Mr. Stecko served as Chief Operating Officer of Tenneco. From December 1993 through January 1997, Mr. Stecko served as President and Chief Executive Officer of Tenneco Packaging Inc. Prior to joining Tenneco Packaging, Mr. Stecko spent 16 years with International Paper Company. Mr. Stecko is a member of the board of directors of Tenneco Inc., Smurfit Kappa Group Limited, State Farm Mutual Insurance Company and American Forest & Paper Association.

Cheryl K. Beebe is 53 years old and has served as a director of PCA since May 2008. Ms. Beebe has been the Vice President and Chief Financial Officer of Corn Products International, Inc., a manufacturer and seller of a number of ingredients to food and industrial customers, since February 2004 and has been employed by Corn Products International since 1997. Ms. Beebe previously served as Vice President, Finance from July 2002 to February 2004, as Vice President from February 1999 to 2004 and as Treasurer from 1997 to February 2004. She served as Director of Finance and Planning for CPC International Inc. s (now named Unilever BestFoods) Corn Refining Business from 1995 to 1997 and as Director of Financial Analysis and Planning for its Corn Products North America business from 1993. From 1980 to 1993, she served in various financial positions in CPC s U.S. consumer food business, North American audit group and worldwide corporate treasury function.

Henry F. Frigon is 74 years old and has served as a director of PCA since February 2000. Mr. Frigon served as Chairman, President and CEO of Carstar, Inc., a provider of collision repair services, from June 1998 until his retirement in February 2001. Since 1994, he has been a private investor and business consultant. Mr. Frigon served as Executive Vice President Corporate Development and Strategy and Chief Financial Officer of Hallmark Cards, Inc. from 1990 through 1994. He retired as President and Chief Executive Officer of BATUS, Inc. in March 1990 after serving with the company for over 10 years.

Hasan Jameel is 54 years old and has served as a director of PCA since May 2008. Dr. Jameel is the Ellis Signe Olsen Professor of pulp and paper technology at North Carolina State University. He has served on the faculty at North Carolina State University since 1987. From 1979 to 1987, he was employed by International Paper Company at its corporate research center and in its mill operations. In March 2007, Dr. Jameel was named a TAPPI fellow, which is an award given to individuals who have made extraordinary technical or service contributions to the pulp and paper industry and/or TAPPI. TAPPI is the leading association for the worldwide pulp, paper and converting industries.

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Samuel M. Mencoff is 52 years old and has served as a director of PCA since January 1999 and served as Vice President of PCA from January 1999 through January 2000. Mr. Mencoff has been employed principally by Madison Dearborn Partners, LLC since 1993 and currently serves as Co-Chief Executive Officer. From 1987 until 1993, Mr. Mencoff served as Vice President of First Chicago Venture Capital. Mr. Mencoff is a member of the board of directors of Forest Products Holdings, LLC (d/b/a Boise Cascade) and Smurfit Kappa Group Limited.

Roger B. Porter is 62 years old and has served as a director of PCA since May 2005. Mr. Porter is currently the IBM Professor of Business and Government at Harvard University and has served on the faculty at Harvard University since 1977. Mr. Porter also held senior economic policy positions in the Gerald Ford, Ronald Reagan and George H.W. Bush White Houses, serving as special assistant to the President and executive secretary of the Economic Policy board from 1974 to 1977, as deputy assistant to the President and director of the White House Office of Policy Development from 1981 to 1985, and as assistant to the President for economic and domestic policy from 1989 to 1993. Mr. Porter is also a director of Tenneco Inc., Zions Bancorporation, Pactiv Corporation and Extra Space Storage Inc.

James D. Woodrum is 46 years old and has served as a member of the faculty in the Wisconsin School of Business at the University of Wisconsin – Madison and a consultant since 2007. From 2003 to 2006 Mr. Woodrum served as a principal and senior consultant with Hewitt Associates, a human resources consulting and outsourcing firm, primarily advising the boards of large organizations on compensation and other governance matters. From 2000 to 2003, he was a leader in the corporate development group at Hewitt Associates, focused on acquisitions and strategic alliances. From 1984 to 2000, he held a variety of other positions at Hewitt Associates with increasing responsibilities.

The board of directors unanimously recommends a vote *FOR* the election of each of the director nominees.

Determination of Director Independence

Our corporate governance guidelines provide that a majority of the board of directors will consist of independent directors. All of our directors other than Paul T. Stecko, our chairman and chief executive officer, are independent and not employed by us. In determining independence of those directors, the nominating and governance committee conducts an annual review and reports its findings to the full board. The nominating and governance committee determines if any material relationships exist that would impair the independence of any of the non-employee directors and makes a recommendation to the board as to the independence of the directors.

A director may not qualify as independent unless the board of directors affirmatively determines that the director has no material relationship with us. The board of directors has not adopted categorical standards of materiality for independence purposes (other than those set forth in the New York Stock Exchange (NYSE) listing standards). In connection with the review performed at its February 25, 2009 meeting, the committee and the board were not aware of any relationship that would disqualify a non-employee director from being independent. The board and the nominating and governance committee considered the following relationships in making its determination.

We purchase raw materials in the ordinary course of business from Corn Products International, Inc., which employs Ms. Beebe as Vice President and Chief Financial Officer. The amount of 2008 purchases was less than 0.5% of the 2008 sales of each of Corn Products International and PCA. Ms. Beebe is not directly involved in, and is not compensated as a result of, this business relationship. Accordingly, the board determined that this business relationship was not a material relationship between Ms. Beebe and PCA, and determined her to be independent and eligible to serve on the audit committee.

Mr. Woodrum was formerly employed by Hewitt Associates through 2006. As described in Compensation Discussion and Analysis, Hewitt has provided compensation surveys to our compensation committee, as well as providing us with

other services in the ordinary course of business. We did not directly or indirectly compensate Mr. Woodrum in connection with those services. The amount paid for all services represented less

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than 0.5% of the 2006 revenues of each of PCA and Hewitt. Accordingly, the board determined that this business relationship was not a material relationship between Mr. Woodrum and PCA, and determined him to be independent and eligible to serve on the compensation and nominating and governance committees.

Based on the report and recommendation of the nominating and governance committee, the board of directors has determined that the following directors and nominees, which constitute six of the seven nominees for election to the board, are independent: Cheryl K. Beebe, Henry F. Frigon, Hasan Jameel, Samuel M. Mencoff, Roger B. Porter and James D. Woodrum.

Mr. Williamson, as well as two former directors who left the board during 2008, Louis A. Holland and Thomas S. Souleles, were previously determined to be independent and eligible to serve on each of the committees on which they served.

2008 Board of Directors Meetings

The board met four times during 2008. Each member of the board attended at least 75% of the aggregate of the total number of meetings of the board and the committees on which he or she was a member, with most of the directors attending 100% of the meetings.

All of our directors and nominees attended the 2008 Annual Meeting of Stockholders, and all of our directors are expected to attend the 2009 Annual Meeting of Stockholders.

Our independent directors are required to meet at regularly scheduled executive sessions without management present. Mr. Mencoff, who serves as the presiding director, serves as the chairperson for these executive sessions. The presiding director is an independent director elected by the independent directors on the board. In addition to presiding at executive sessions of non-employee directors, the presiding director has the responsibility to: coordinate with the chairman and chief executive officer of the establishment of the agenda and topics for board and stockholder meetings; retain independent advisors on behalf of the board as the board may determine is necessary or appropriate; and perform such other functions as the independent directors may designate from time to time. The independent directors met three times in executive session during 2008.

Board Committees

The board has standing nominating and governance, compensation and audit committees. As required under NYSE rules and the committee charters, each of these committees consists solely of independent directors. Additional committee service eligibility requirements for audit committee members and compensation committee members are set forth in the committee charters and described below.

Nominating and Governance Committee

Mr. Porter (Chair), Mr. Mencoff and Mr. Williamson currently serve on the nominating and governance committee. Mr. Woodrum will replace Mr. Williamson on the committee effective upon the 2009 annual meeting. The committee met one time during 2008.

The nominating and governance committee's primary responsibilities include, among other things:

recommendation to the board of potential director candidates as nominee candidates for election to the board;

review and recommendation of independence for the candidates for election to the board;

selection of potential candidates for board committee assignments; and

review of our corporate governance attributes.

The board sought a new nominee during the past year, which culminated in the nomination of Mr. Woodrum. Mr. Woodrum was referred for nomination by the chairman of the nominating and governance committee and our chairman of the board. In determining to nominate Mr. Woodrum, the committee and the

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board primarily considered his broad experience with executive compensation matters. For more information on consideration of nominees for our board, see **Other Information** **Recommendations for Board-Nominated Director Nominees**.

The written charter of the committee is available on PCA's website at www.packagingcorp.com under the section **Investor Relations** **Corporate Governance**. The charter is also available in print to any stockholder who requests it. Any such request should be directed to Packaging Corporation of America, 1900 West Field Court, Lake Forest, IL 60045, (847) 482-3000, Attn: Corporate Secretary.

Compensation Committee

Mr. Menco (Chair), Mr. Porter and Mr. Williamson currently serve on the compensation committee. Mr. Woodrum will replace Mr. Williamson on the committee effective upon the 2009 annual meeting. Each member of the compensation committee must be a non-employee director pursuant to SEC Rule 16b-3 and an outside director for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. All current compensation committee members and Mr. Woodrum were determined to satisfy these standards. Mr. Souleles, who served on the committee through February 22, 2008, was previously determined to have satisfied these standards. The committee met five times during 2008.

The compensation committee's primary responsibilities include, among other things:

- establishment of our compensation philosophy, and oversight of the development and implementation of our compensation programs,

- review and approval of corporate goals and objectives relevant to the compensation of the chief executive officer and the other named executive officers and evaluation of their performance annually against these objectives;

- establishment of the base salary, incentive compensation and any other compensation for our chief executive officer and other named executive officers; and

- monitoring our management incentive and stock-based compensation plans and discharging the duties imposed on the committee by the terms of those plans.

The written charter of the committee is available on PCA's website at www.packagingcorp.com under the section **Investor Relations** **Corporate Governance**. The charter is also available in print to any stockholder who requests it. Any such request should be directed to Packaging Corporation of America, 1900 West Field Court, Lake Forest, IL 60045, (847) 482-3000, Attn: Corporate Secretary.

The agenda for meetings of the committee is determined by its chairman with the assistance of our chief executive officer, our corporate secretary and our vice president of human resources. The chief executive officer, the vice president of human resources and the corporate secretary regularly attend committee meetings. At meetings in which compensation decisions are made for the chief executive officer and the other named executive officers, the committee meets in executive session with no members of management present. For compensation matters on which the board acts, the chairman of the committee reports the committee's recommendations on executive compensation to the board. Independent advisors, the chief executive officer and the human resources department support the committee in its duties and may be delegated authority to fulfill certain administrative duties regarding the compensation programs. The committee has authority under its charter to retain, approve fees for and terminate advisors, consultants and agents, as it deems necessary to assist in the fulfillment of its responsibilities.

Compensation Committee Interlocks and Insider Participation. The compensation committee is composed of directors who are not our employees. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board or compensation committee.

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Audit Committee

Mr. Frigon (Chair), Ms. Beebe, Dr. Jameel and Mr. Porter currently serve on the audit committee and will continue to serve on the committee after the annual meeting. Effective upon the annual meeting, Ms. Beebe will chair the committee. Each member of the audit committee must be financially literate as required under the NYSE listing standards and meet the heightened independence standards required for audit committee members under SEC rules and the NYSE listing standards. All committee members were determined to satisfy these standards. Mr. Holland and Mr. Williamson, each of whom served on the committee through May 13, 2008, were previously determined to have satisfied these standards. The board of directors has determined that each of Mr. Frigon and Ms. Beebe is an audit committee financial expert within the meaning of SEC rules. The committee met seven times during 2008.

The audit committee's primary responsibilities include, among other things:

- selection and oversight of the independent registered public accounting firm;

- oversight of the internal audit function;

- oversight of accounting policies and practices and financial reporting and internal controls; and

- reviewing and discussing our financial statements and financial press releases with our management and independent registered public accounting firm.

Both the independent registered public accounting firm and the internal auditors regularly meet privately with the audit committee and have unrestricted access to the audit committee. The committee meets with the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls and the overall quality of our financial reporting.

The written charter of the audit committee is available on our website at www.packagingcorp.com under the section Investor Relations - Corporate Governance. The charter is also available in print to any stockholder who requests it. Any such request should be directed to Packaging Corporation of America, 1900 West Field Court, Lake Forest, IL 60045, (847) 482-3000, Attn: Corporate Secretary.

Interested Party, Including Stockholder, Communication with the Board of Directors

Interested parties, including stockholders, may communicate directly with the presiding director, the chairman of the audit committee, the board of directors or the independent directors as a group by writing to those individuals or the group at the following address: c/o Kent A. Pfleiderer, Corporate Secretary, Packaging Corporation of America, 1900 West Field Court, Lake Forest, IL 60045. Correspondence will be forwarded to the appropriate person or persons. When reporting a concern, please supply sufficient information so that the matter may be addressed properly. Although you are encouraged to identify yourself to assist us in effectively addressing your concern, you may choose to remain anonymous, and we will use our reasonable efforts to protect your identity to the extent appropriate or permitted by law. In addition, employees may communicate confidentially any concerns related to our accounting, internal accounting controls or auditing matters, business principles or policies, or suspected violations, by calling the toll-free help line established by us. The toll-free help line is monitored by non-PCA personnel and all calls are communicated to our general counsel. Any complaints regarding accounting, internal controls or auditing matters are forwarded directly to the chairman of the audit committee and the chief financial officer.

Code of Ethics

All of our employees, including all officers, are required to abide by our long-standing Statement of Business Principles. Also, separate Codes of Ethics for our executive officers and principal accounting personnel, as well as our directors, are in place to help ensure that our business is conducted in a consistently legal and ethical manner. These documents cover all areas of professional conduct, including employment policies, conflicts of interest, fair dealing and the protection of confidential information, as well as strict adherence to all laws and regulations applicable to the conduct of our business. The full text of our Statement

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of Business Principles and the Codes of Ethics are published on our website at *www.packagingcorp.com* under the section Investor Relations Corporate Governance.

We will provide to any person without charge, upon request, a copy of this information. Any such request should be directed to Packaging Corporation of America, 1900 West Field Court, Lake Forest, IL 60045, (847) 482-3000, Attn: Corporate Secretary.

We will disclose future amendments to, or waivers from, certain provisions of these Codes of Ethics for executive officers and directors on our website within four business days following the date of such amendment or waiver, if they occur.

Corporate Governance Guidelines

We have in place Corporate Governance Guidelines governing the function and performance of the board and its committees, which, among other things, sets forth the qualifications and other criteria for director nominees. The current guidelines appear on our website at *www.packagingcorp.com* under the section Investor Relations Corporate Governance.

We will provide to any person without charge, upon request, a copy of this information. Any such request should be directed to Packaging Corporation of America, 1900 West Field Court, Lake Forest, IL 60045, (847) 482-3000, Attn: Corporate Secretary.

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RATIFICATION OF APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

ITEM NO. 2 ON PROXY CARD

The audit committee has appointed Ernst & Young LLP as the independent registered public accounting firm to serve as our auditors for the year ending December 31, 2009, and has further directed that we submit the selection of the independent registered public accounting firm for ratification by the stockholders at the annual meeting. Ernst & Young LLP has audited our financial statements since we were formed in 1999. Representatives of Ernst & Young LLP are expected to be present at the meeting. They will have the opportunity to make a statement if they wish to do so and will be available to respond to appropriate questions.

Stockholder Ratification

We are not required to submit the appointment of Ernst & Young LLP for ratification by our stockholders. However, we are doing so as a matter of good corporate practice. If the stockholders fail to ratify the appointment, the audit committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the audit committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such an appointment would be in our best interests and that of our stockholders.

The board of directors, based upon the recommendation of the audit committee, unanimously recommends a vote *FOR* the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm to serve as PCA's auditors for 2009

Fees to the Independent Registered Public Accounting Firm

Audit Fees. Fees for audit services totaled approximately \$1,254,000 in 2008 and \$1,199,000 in 2007, including fees associated with the annual audit, reviews of our quarterly reports on Form 10-Q, and the audit of internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules and regulations.

Audit-Related Fees. Fees for audit-related services totaled approximately \$228,000 in 2008 and \$95,000 in 2007. Audit-related services principally include benefit plan audits, services in connection with a registered securities offering for a 2008 debt refinancing and accounting consultations services reasonably related to the audit.

Tax Fees. Tax fees include fees for tax compliance, tax advice and tax planning services. We did not pay any tax fees to Ernst & Young LLP in 2008 or 2007.

All Other Fees. We did not pay any other fees to Ernst & Young LLP in 2008 or 2007.

Audit Committee Pre-Approval Policy for Audit and Non-Audit Services

Pursuant to its written charter, the audit committee is responsible for adopting, and has adopted, a policy to pre-approve all audit and permitted non-audit services to be performed for us by the independent registered public accounting firm. Prior to engagement of the independent registered public accounting firm for the next year's audit, we or the independent registered public accounting firm submits to the committee for approval an aggregate request of services expected to be rendered during that year for each of the four categories of services outlined above. Prior to engagement, the committee pre-approves these services by category of service. The fees are budgeted and the

committee requires the independent registered public accounting firm and us to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the audit committee requires specific pre-approval before engaging the independent registered public accounting firm. The committee may delegate pre-approval authority to one or more of its members. The member or

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members to whom such authority is delegated must report, for information purposes only, any pre-approval decisions to the entire audit committee at its next scheduled meeting.

Report of the Audit Committee

The following report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other PCA filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that we specifically incorporate this report.

Management is responsible for PCA's internal controls and the financial reporting process. The independent registered public accounting firm has the responsibility for performing an audit of our financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and for expressing an opinion on those financial statements based on its audit as well as expressing an opinion on the effectiveness of internal control over financial reporting. The audit committee reviews these processes on behalf of the board of directors.

In connection with the financial statements for the fiscal year ended December 31, 2008, the audit committee has:

- (1) reviewed and discussed the audited financial statements with management,
- (2) discussed with Ernst & Young LLP, the Company's independent registered public accounting firm, the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended, and
- (3) received the written disclosure and letter from Ernst & Young LLP regarding the matters required by Rule 3526 of the Public Company Accounting Oversight Board, and has discussed with Ernst & Young LLP the independence of such firm.

Based upon these reviews and discussions, the audit committee recommended to the board of directors at their February 25, 2009 meeting that the Company's audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2008 filed with the Securities and Exchange Commission. Upon recommendation of the audit committee, the board approved such inclusion.

The Audit Committee

Henry F. Frigon, Chairman
Cheryl K. Beebe
Hasan Jameel
Roger B. Porter

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APPROVAL OF THE AMENDED AND RESTATED 1999 LONG-TERM EQUITY INCENTIVE PLAN

ITEM NO. 3 ON PROXY CARD

On February 25, 2009, the board of directors approved the amendment and restatement of the Packaging Corporation of America 1999 Long-Term Equity Incentive Plan, subject to stockholder approval at the annual meeting. The board has long believed that ownership in PCA common stock by its directors, officers and employees aligns the company's objectives with that of its stockholders. The amended and restated equity incentive plan continues to support this objective by allowing PCA to continue to grant awards under its equity incentive plan.

PCA's board of directors has determined that it would be desirable to make the following amendments to the equity incentive plan:

extend the term of the plan by five years from October 19, 2009 to October 19, 2014 and increase the number of shares of common stock available for issuance under the plan by 2,000,000.

remove the provision that allows for the reloading of options as currently permitted under the plan. We have never awarded reload options under the plan.

remove the provision that allows the compensation committee to require or permit holders of outstanding awards to surrender outstanding awards in order to exercise or realize rights under other awards or as a condition to receiving new awards under the plan.

Without the recommended increase in available shares described above, as of March 30, 2009, PCA would only have approximately 379,912 shares available for awards under the plan through October 19, 2009.

Summary of the Equity Incentive Plan

A copy of the 1999 Long-Term Equity Incentive Plan, as amended and restated, is attached to this proxy statement as Appendix A. As required, the principal features of the equity incentive plan, including the amendments being proposed, are described below, but such description is qualified in its entirety by reference to the complete text of the equity incentive plan. The amendments to the equity incentive plan will not become effective unless stockholder approval is obtained at the annual meeting.

General Information

The equity incentive plan provides for grants of stock options, restricted stock and performance awards. Directors, officers and employees of PCA and its subsidiaries, as well as others who engage in services for PCA, are eligible for grants under the plan. The purpose of the equity incentive plan is to provide these individuals with incentives to maximize stockholder value and otherwise contribute to the success of PCA and to enable PCA to attract, retain and reward the best available persons for positions of responsibility.

Shares Available for Issuance Under the Plan

As of March 30, 2009, there were 379,912 shares available for future awards, 2,223,697 shares of our common stock that could be issued on the exercise of outstanding options, and 1,036,500 unvested shares of restricted stock outstanding, which together represent 3.6% of our outstanding common stock on a fully-diluted basis as of that date. If the plan is approved by stockholders, there will be 2,379,912 shares available for future awards through October 19, 2014, which together with stock that may be issued on the exercise of outstanding options and unvested shares of

restricted stock, would represent 5.5% of our outstanding stock as of March 30, 2009. If the plan is approved by stockholders, the total number of shares authorized for past and future awards is 8,550,000. This plan has been in effect since 1999 and is the only equity compensation plan under which PCA shares have been awarded. In each case, the number of shares is subject to adjustment in the event of a reorganization, stock split, merger or similar change in the corporate structure of PCA or the outstanding shares of common stock. These shares may be, in whole or in part, authorized and unissued or held as treasury shares.

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Administration

The compensation committee of our board of directors will administer the equity incentive plan. Our board also has the authority to administer the plan and to take all actions that the compensation committee is otherwise authorized to take under the plan. Grants will be awarded under the equity incentive plan entirely in the discretion of the compensation committee. As a result, we are unable to determine at this time the recipients, amounts and values of future benefits to be received under the plan.

Eligibility

Directors, officers and employees of PCA and its subsidiaries, as well as other individuals performing significant services for us, or to whom we have extended an offer of employment, will be eligible to receive grants under the equity incentive plan. However, only employees may receive grants of incentive stock options. In each case, the compensation committee will select the actual grantees. As of March 30, 2009, there were approximately 250 directors, officers and employees expected to be eligible to participate in the equity incentive plan.

Stock Options

Under the equity incentive plan, the compensation committee may award grants of incentive stock options conforming to the provisions of Section 422 of the Code and other, non-qualified stock options. The compensation committee may not, however, award to any one person in any calendar year options to purchase common stock equal to more than 20% of the total number of shares authorized under the plan. The compensation committee also may not grant incentive stock options first exercisable in any calendar year for shares of common stock with a fair market value greater than \$100,000, determined at the time of grant.

The compensation committee will determine the exercise price of any option in its discretion. However, the exercise price of any option may not be less than 100% of the fair market value of a share of common stock on the date of grant, and the exercise price of an incentive option awarded to a person who owns stock constituting more than 10% of PCA's voting power may not be less than 110% of the fair market value on the date of grant.

Unless the compensation committee determines otherwise, the exercise price of any option may be paid in any of the following ways:

in cash,

by delivery of shares of common stock with a fair market value equal to the exercise price, and/or

by simultaneous sale through a broker of shares of common stock acquired upon exercise.

If stockholders approve the amended and restated equity incentive plan, the compensation committee will not have the discretion to grant a participant a reload option if a participant elects to deliver shares of common stock in payment of any part of an option's exercise price.

The compensation committee will determine the term of each option in its discretion. However, no term may exceed ten years from the date of grant or, in the case of an incentive stock option granted to a person who owns stock constituting more than 10% of the voting power of PCA, five years from the date of grant. In addition, all options under the equity incentive plan, whether or no