

Rock-Tenn CO
Form DEF 14A
December 23, 2005

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**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 x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- x Definitive Proxy Statement
- o Definitive additional materials
- o Soliciting material under Rule 14a-12
- o Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))

ROCK-TENN COMPANY

(Name of Registrant as Specified in Charter)

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

Payment of filing fee (Check the appropriate box):

- x No fee required.
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December 23, 2005

To our Shareholders:

It is our pleasure to invite you to attend our annual meeting of shareholders, which is to be held on January 27, 2006, at the Northeast Atlanta Hilton at Peachtree Corners, 5993 Peachtree Industrial Boulevard, Norcross, Georgia 30092. The meeting will start at 9:00 a.m., local time.

On the ballot at this year's annual meeting is our proposal to elect four directors to our board of directors. A representative of Ernst & Young LLP, our independent auditors, will be at the annual meeting and will have the opportunity to make a statement, if so desired, and will be available to respond to questions.

Please complete, sign and return your proxy in the enclosed envelope or follow the other voting procedures described in the proxy statement as soon as possible to ensure that your shares will be represented and voted at the annual meeting. 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*

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held on January 27, 2006

TIME: 9:00 a.m., local time on Friday, January 27, 2006
PLACE: Northeast Atlanta Hilton at Peachtree Corners
5993 Peachtree Industrial Boulevard
Norcross, Georgia 30092
ITEMS OF BUSINESS: (1) To elect four directors.
(2) 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 December 8, 2005.
ANNUAL REPORT: A copy of our Annual Report is enclosed.
DATE OF NOTICE: December 23, 2005.
DATE OF MAILING: This notice and the proxy statement are first being mailed to shareholders on or about December 23, 2005.

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ROCK-TENN COMPANY

**504 Thrasher Street
Norcross, Georgia 30071**

**PROXY STATEMENT
FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JANUARY 27, 2006**

ABOUT THE MEETING

Who is furnishing this proxy statement?

This proxy statement is being furnished to our shareholders by our board of directors 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 27, 2006 (which we refer to as the **annual meeting**).

What am I voting on?

You will be voting on each of the following:

To elect four directors.

To transact 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 matter 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.

Who can vote?

You may vote if you owned Class A Common Stock as of the close of business on December 8, 2005, the record date for the annual meeting. As of December 8, 2005, there were 36,417,342 shares of our Class A Common Stock outstanding. Sometimes in this proxy statement we refer to the Class A Common Stock as the **Common Stock**.

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. Without any action required on the part of holders of Class B Common Stock, each certificate that represented shares of Class B Common Stock now represents the same number of shares of Class A Common Stock into which the Class B Common Stock was converted.

How do I vote?

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

Over the Internet at the address shown on your proxy card. If you have access to the Internet, we encourage you to vote in this manner.

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By telephone using the number shown on your proxy card.

By completing, signing and returning the enclosed proxy.

By attending the annual meeting and voting in person.

Please follow the directions on your proxy card carefully. If you hold your shares in the name of a bank or broker, the availability of telephone and Internet voting depends on their voting processes and you should contact your bank or broker for more information.

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 enclosed 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 proxy?

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 SunTrust Bank, Atlanta, Mail Code 258, P.O. Box 4625 Atlanta, Georgia 30302, and may be reached at 1-800-568-3476.

What if I return my proxy but do not provide voting instructions?

If you sign and return your proxy but do not include voting instructions, your proxy will be voted FOR the election of the four nominee directors named on page 4 of this proxy statement.

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 11:59 p.m., E.T., on January 26, 2006.

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 December 8, 2005 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.

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

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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 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 enclosed 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 election of directors. 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.

ELECTION OF DIRECTORS

(Item 1)

Board of Directors

Our board of directors currently has 11 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 27, 2006, four nominees for director are to be elected to serve on our board of directors until the annual meeting in 2009, or until their successors are qualified and elected. Our board is authorized to increase the size of the board and is authorized to fill the vacancies created by the increase. Any directors elected by the board in this manner will stand for re-election at the next annual meeting of shareholders after their election even if that class of directors is not subject to election in that year.

We do not believe that any of the nominees for director will be unwilling or unable to serve as director. 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.

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The board of directors recommends a vote FOR John D. Hopkins, James W. Johnson, James A. Rubright and James E. Young to hold office until the annual meeting of shareholders in 2009, or until each of their successors is qualified and elected. Proxies returned without instructions will be voted FOR these nominees.

Nominees for Election Term Expiring 2009

Name	Age	Director Since	Positions Held
John D. Hopkins	67	1989	Mr. Hopkins has served as counsel with Womble Carlyle Sandridge & Rice, PLLC, a full-service law firm, since October 2003. 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.
James W. Johnson	64	1984	Mr. Johnson has served as president and chief executive officer of McCranie Tractor Company, a John Deere and Case tractor dealership, for more than five years. Mr. Johnson is also a director of Flag Financial Corporation, a bank holding company, and he has served on the board of Taylor Regional Hospital for over 20 years.
James A. Rubright	59	1999	Mr. Rubright has served as our chief executive officer since October 1999 and chairman of the board since January 2000. Mr. Rubright is also a director of AGL Resources Inc., an energy company, Oxford Industries, Inc. a manufacturer and seller of branded and private label apparel, and Avondale Incorporated, a textile manufacturing company.
James E. Young	56	2003	Mr. Young has served as president and chief executive officer of Citizens Trust Bank, a commercial bank, since 1998. He is also a member of the board of directors of Citizens Trust Bank and Citizens Bancshares Corporation, a bank holding company.

Incumbent Directors Term Expiring 2007

Name	Age	Director Since	Positions Held
Stephen G. Anderson	67	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 serves on the board of trustees of Novant Health, a not-for-profit healthcare provider.
Robert B. Currey	65	1989	Mr. Currey founded Currey & Company, Inc., a producer of consumer lighting products, and has served as chairman and chief executive officer of that business for more than five years. Mr. Currey is the uncle of Russell M. Currey, a director and a division executive of our company.
L. L. Gellerstedt, III	49	1998	Mr. Gellerstedt has served as the president of the office/multi-family division of Cousins Properties, Inc., a real estate development company, since June 2005. 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 served as chairman of Children's Healthcare of Atlanta, a not-for-profit pediatric healthcare organization, from August 1999 until January 2001. Mr. Gellerstedt is a director of SunTrust Bank, Atlanta, a subsidiary of SunTrust Banks, Inc., a commercial bank, and Alltel Corporation, a nationwide telecommunications services company.

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Name	Age	Director Since	Positions Held
John W. Spiegel	64	1989	Mr. Spiegel is a director of Bentley Pharmaceuticals, Inc., a specialty pharmaceutical company, a member of the board of trustees of Colonial Properties Trust, a real estate investment trust, a director of S1 Corporation, a provider of integrated applications for financial institutions, and a director of HomeBanc Corp., the parent company of HomeBanc Mortgage Corp., a mortgage banking company. 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.

Incumbent Directors Term Expiring 2008

Name	Age	Director Since	Positions Held
J. Hyatt Brown	68	1971	Mr. Brown has served as chairman and chief executive officer of Brown & Brown, Inc., an insurance services company, for more than five years. Mr. Brown is also a director of SunTrust Banks, Inc., a bank holding company, BellSouth Corporation, a telephone communications company, FPL Group, Inc., an electric utility company, International Speedway Corp., a motor sports company, and Brown & Brown, Inc.
Russell M. Currey	44	2003	Mr. Currey has served as executive vice president and general manager of our corrugated packaging division since March 2001. From December 1994 to February 2001, Mr. Currey was the senior vice president of marketing and planning. Mr. Currey joined our company in July 1983. Mr. Currey is the nephew of Robert B. Currey, a director of our company.
G. Stephen Felker	54	2001	Mr. Felker has served as chairman of the board of Avondale Incorporated, a textile manufacturer since 1992, president and chief executive officer of Avondale since 1980, and in various other capacities at Avondale since 1974. He is a director and executive officer of Avondale Mills, Inc., a textile manufacturer and wholly owned subsidiary of Avondale Incorporated. Mr. Felker is also a director of American Fibers and Yarns Company, a yarn manufacturer, and USPA Properties, Inc., an apparel brand licensing company.

Corporate Governance

Corporate Governance Guidelines. We have posted our Corporate Governance Guidelines on our Internet website at www.rocktenn.com. Copies of our Corporate Governance Guidelines are available, without charge, at the written request of any shareholder of record. Requests for copies should be mailed to: Rock-Tenn Company, 504 Thrasher Street, Norcross, GA 30071, Attention: Corporate Secretary.

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 Securities and Exchange Commission (which we refer to as 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

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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 and Messrs. Brown; Robert Currey; Felker; Gellerstedt; Hopkins; Johnson; Spiegel and Young. The board of directors determined that each of these directors 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 each is an employee of our company. The board determined that each of Dr. Anderson and Messrs. Hopkins, Johnson and Young is independent because he had no significant relationship with our company (other than as a director and shareholder). The board determined that no relationship that each of Messrs. Brown, Robert Currey, Felker, Gellerstedt and Spiegel 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, Robert Currey, Felker, Gellerstedt and Spiegel had with our company (some of which are also described under the heading *Certain Transactions* elsewhere in this proxy statement):

Messrs. Brown, Gellerstedt, and Spiegel: Mr. Spiegel served as vice chairman and chief financial officer of SunTrust Banks, Inc. during fiscal 2003 and fiscal 2004 through August 2004, when he retired. Mr. Spiegel continued to serve as a non-executive Vice Chairman of SunTrust Bank Holding Company, a subsidiary of SunTrust Banks, Inc. (a non-executive position) through March 31, 2005. Mr. Brown serves on the board of directors of SunTrust Banks, Inc. Mr. Gellerstedt serves on the board of directors of SunTrust Bank, Atlanta, a subsidiary of SunTrust Banks, Inc. Our company made payments to SunTrust Banks, Inc. and its subsidiaries during fiscal 2005, 2004 and 2003 for certain services related to our credit facility, our derivative transactions, our cash management, our master letter of credit agreement, asset management of our defined benefit plan and other banking and financial consulting services. The aggregate of these payments did not exceed 1% of our gross revenues during fiscal 2005 or 1% of SunTrust Banks' gross revenues during its fiscal year ended December 31, 2004. The board determined that these payments and relationships were not material for such purposes.

J. Hyatt Brown: Mr. Brown is an executive officer of Brown & Brown, Inc. Our company made payments to Brown & Brown, Inc. for insurance services during fiscal 2005 as described below under the heading *Certain Transactions*. Our board also considered such payments made during fiscal 2004 and 2003. The board determined that these payments and relationships were not material for such purposes.

Robert B. Currey: Mr. Currey is an owner and executive officer of Currey & Company, which purchased products from our company during fiscal 2005 as described below under the heading *Certain Transactions*. Our board also considered such payments made during fiscal 2004 and 2003. The board determined that such payments and such relationships were not material for such purposes.

G. Stephen Felker: Mr. Felker is a director, an executive officer and a substantial shareholder of Avondale Incorporated, of which Mr. Rubright serves on the board of directors. The board determined that this relationship was not material for such 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 debt and 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.

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Audit Committee Membership Criteria. The NYSE requires that if listed companies do not limit the number of audit committees on which its audit committee members may serve to three or less, then in the event that a director simultaneously serves on the audit committees of more than three public companies, the board must determine that such simultaneous service would not impair the ability of that member to effectively serve on the company's audit committee and disclose that determination. Our company has not adopted any specific requirements limiting the number of audit committees on which board members may serve.

After retiring as an executive officer of SunTrust Banks, Inc. in August 2004, Mr. Spiegel became a director of S1 Corporation. Mr. Spiegel subsequently advised our board that he had been nominated to join the audit committee of S1 Corporation and that, in the event of his election, he would be simultaneously serving on the audit committees of more than three public companies. The board determined that, under these circumstances, serving on a fourth audit committee would not impair Mr. Spiegel's ability to effectively serve on our audit committee. In September 2005, Mr. Spiegel became a director of HomeBanc Corp. Mr. Spiegel subsequently advised our board that he had been elected to serve on the audit committee of HomeBanc Corp and that he would be simultaneously serving on the audit committees of more than three public companies. The board determined that, under these circumstances, serving on a fifth audit committee would not impair Mr. Spiegel's ability to effectively serve on our audit committee.

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.

Meetings of Non-Management Directors. Our non-management directors generally meet separately from the other directors in executive session 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. The NYSE corporate governance standards define non-management directors to include any directors who are not executive officers of our company, including any directors who are not independent by virtue of a material relationship, former status or family relationship, or for any other reason.

Presiding Independent Director. Mr. Brown is currently serving as the presiding independent director, in accordance with our Corporate Governance Guidelines.

Director Education. Our board of directors has adopted a director education policy under which our company 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, our company has 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 company's Legal Department will facilitate all such communications. We have posted a summary of this method for communicating with our directors on our Internet website at www.rocktenn.com.

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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 28, 2005.

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) and our principal financial and principal accounting officer (our chief financial officer). 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 audit 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, 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. Copies of these codes of business conduct and ethics are also available, without charge, at the written request of any shareholder of record. Requests for copies should be mailed to: Rock-Tenn Company, 504 Thrasher Street, Norcross, GA 30071, Attention: Corporate Secretary.

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. Our board of directors does not currently expect any board vacancies to arise due to retirement or otherwise. The four 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.

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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 such materials to the 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. Our Corporate Secretary received no shareholder nominations for consideration at the annual meeting.

When the nominating and corporate governance committee reviews a potential new candidate, consistent with our Corporate Governance Guidelines, the committee will apply such criteria as 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. Different requirements apply with respect to submitting shareholder proposals for inclusion in the Proxy Statement and with respect to other proposals to be considered at an annual meeting of our shareholders, as described under the heading ***Additional Information Shareholder Proposals***.

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Meetings of the Board of Directors

Our board of directors held six meetings during fiscal 2005. Each director attended at least 75% of all meetings of the board and committees combined on which they served in fiscal 2005.

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. Brown, Hopkins, Rubright and Spiegel are members of the executive committee. Mr. Brown 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; and (5) approve a plan of merger not requiring shareholder approval.

The executive committee held two meetings during fiscal 2005.

Audit Committee. Dr. Anderson and Messrs. Robert Currey, 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 401(h)(1) 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 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 nine meetings during fiscal 2005, 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. 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 committee's principal duties and responsibilities are to do the following:

- (1) except to the extent that the committee elects to seek the approval of the board of directors with respect thereto,
 - (a) review and approve corporate goals and objectives relating to compensation of our chief executive officer (**CEO**),
 - (b) evaluate the CEO's performance in light of any such goals and objectives, and

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- (c) determine and approve the CEO's compensation level based on any such evaluation;
- (2) except the extent that the committee delegates such responsibility to the CEO or elects to seek the approval of the board of directors with respect thereto,
 - (a) review and approve goals, objectives and recommendations relating to compensation of senior executives (other than the CEO) submitted to the committee by the CEO; and
 - (b) approve the compensation for senior executives (other than the CEO);
- (3) 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 such plans;
- (4) make recommendations to the board of directors with respect to compensation of our non-employee directors; and
- (5) prepare the report from the committee required by applicable law to be included in our annual proxy statement.

The compensation committee held two meetings during fiscal 2005.

Nominating and Corporate Governance Committee. Dr. Anderson and Messrs. Brown, Hopkins and Johnson 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:

- (1) develop and recommend corporate governance guidelines and any changes to any corporate governance guidelines;
- (2) review and make recommendations regarding corporate governance proposals by shareholders;
- (3) lead the search for potential director candidates;
- (4) evaluate and recommend candidates for our board of directors, including incumbent directors whose terms are expiring and potential new directors;
- (5) assist in the process of attracting qualified director nominees;
- (6) evaluate and recommend changes to the size, composition and structure of the board of directors and its committees;
- (7) evaluate and recommend changes to the membership criteria for the board of directors and its committees;
- (8) 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;
- (9) consult with the compensation committee regarding non-employee director compensation, as requested, in accordance with the Corporate Governance Guidelines; and

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(10) recommend such 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 2005.

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. Copies of these charters are also available, without charge, at the written request of any shareholder of record. Requests for copies should be mailed to: Rock-Tenn Company, 504 Thrasher Street, Norcross, GA 30071, Attention: Corporate Secretary.

Compensation of Directors

For fiscal 2005, directors who are not employees of our company received \$22,500 plus \$2,000 for each board and committee meeting attended. Each director who chairs a committee and is not an employee of our company received an additional \$5,000. In addition, each non-employee director received, on January 28, 2005, pursuant to our 2004 Incentive Stock Plan, annual grants of (1) 500 shares of our Common Stock that was nonforfeitable on the grant date and (2) a stock option to purchase 4,000 shares of our Common Stock at the Fair Market Value (as defined in this plan) of such shares on the grant date, which was \$13.70 per share. The options will vest in one-third increments on January 28, 2006, 2007 and 2008, respectively, and will expire on January 28, 2015. Directors were also reimbursed for their out-of-pocket expenses in attending meetings.

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

The table below shows, as of December 8, 2005, how many shares of our Common Stock each of the following beneficially owned: our directors, named executive officers (as defined below under *Executive Compensation Summary Compensation Table*), owners of 5% or more of our Common Stock and our directors and 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 Named Executive Officers	Beneficial Ownership of Class A Common Stock	
	Number of Shares(1)	Percent of Class(2)
James A. Rubright(3)	1,105,346	2.97%
David E. Dreibelbis(4)	589,248	1.60%
Steven C. Voorhees(5)	343,681	*
James L. Einstein(6)	271,296	*
Robert B. McIntosh(7)	132,911	*
Stephen G. Anderson(8)	619,993	1.70%
J. Hyatt Brown(9)	2,333,171	6.40%
Robert B. Currey(10)	153,984	*
Russell M. Currey(11)	976,002	2.67%
G. Stephen Felker(12)	21,001	*
L. L. Gellerstedt, III(13)	13,001	*
John D. Hopkins(14)	124,465	*
James W. Johnson(15)	163,531	*
John W. Spiegel(16)	59,403	*
James E. Young(17)	5,001	*
All directors and executive officers as a group (16 persons) (18)	6,993,134	18.22%
Shareholders		
Barclays Global Investors, NA.(19)	1,948,614	5.35%
Dimension Fund Advisors Inc.(20)	2,922,082	8.02%

* Less than 1%.

- (1) These shares include restricted stock awards that were granted to our executive officers on May 16, 2001, May 10, 2002, May 15, 2003, May 4, 2004 and May 9, 2005, some of which had not vested as of December 8, 2005. Such persons have the power to vote and receive dividends on such shares, but do not have the power to dispose of, or to direct the disposition of, such shares until such shares are vested pursuant to the terms of such restricted stock grants.
- (2) Based on an aggregate of 36,417,342 shares of Common Stock issued and outstanding as of December 8, 2005 plus, for each individual, the number of shares of Common Stock issuable upon exercise of outstanding stock options that are or will become exercisable prior to February 6, 2006.
- (3) Share balance includes:

841,667 shares issuable upon exercise of stock options beneficially owned by Mr. Rubright, and

175,833 shares of restricted stock granted to Mr. Rubright.

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(4) Share balance includes:

303,267 shares issuable upon exercise of stock options beneficially owned by Mr. Dreibelbis, and

47,833 shares of restricted stock granted to Mr. Dreibelbis.

(5) Share balance includes:

216,667 shares issuable upon exercise of stock options beneficially owned by Mr. Voorhees,

47,833 shares of restricted stock granted to Mr. Voorhees, and

2,000 shares beneficially owned by Mr. Voorhees as custodian for two investment accounts for the benefit of his children.

(6) Share balance includes:

202,867 shares issuable upon exercise of stock options beneficially owned by Mr. Einstein, and

46,166 shares of restricted stock granted to Mr. Einstein.

(7) Share balance includes:

104,500 shares issuable upon exercise of stock options beneficially owned by Mr. McIntosh, and

23,000 shares of restricted stock granted to Mr. McIntosh.

(8) Share balance includes:

10,001 shares issuable upon exercise of stock options beneficially owned by Dr. Anderson,

258,496 shares deemed beneficially owned by Dr. Anderson as trustee of a trust for which he is the trustee, grantor and beneficiary,

347,496 shares deemed beneficially owned by Dr. Anderson's spouse as trustee for a trust for which she is the trustee, grantor and beneficiary, and

3,500 shares deemed beneficially owned by Dr. Anderson as trustee of a trust for the benefit of family members.

(9) Mr. Brown's address is P.O. Drawer 2412, Daytona Beach, Florida 32115. Share balance includes:

10,001 shares issuable upon exercise of stock options beneficially owned by Mr. Brown,

1,762,200 shares beneficially owned by Ormond Riverside, Limited Partnership, for which Mr. Brown serves as president of the sole general partner, and

559,970 shares held indirectly by Brown & Brown, Inc., of which Mr. Brown serves as chairman and chief executive officer.

(10) Share balance includes:

10,001 shares issuable upon exercise of stock options beneficially owned by Mr. Robert Currey, and

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142,363 shares held in joint tenancy with Mr. Robert Currey s spouse.

(11) Share balance includes:

155,200 shares issuable upon exercise of stock options beneficially owned by Mr. Russell Currey,

20,167 shares of restricted stock granted to Mr. Russell Currey,

658,758 shares deemed beneficially owned by Mr. Russell Currey as trustee of two trusts for the benefit of his mother, and

2,468 shares held by Mr. Russell Currey s spouse.

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(12) Share balance includes:

10,001 shares issuable upon exercise of stock options beneficially owned by Mr. Felker.

(13) Share balance includes:

10,001 shares issuable upon exercise of stock options beneficially owned by Mr. Gellerstedt, and

73 shares held by Mr. Gellerstedt's daughter.

(14) Share balance includes:

10,001 shares issuable upon exercise of stock options beneficially owned by Mr. Hopkins, and

100 shares held by Mr. Hopkin's spouse.

(15) Share balance includes:

10,001 shares issuable upon exercise of stock options beneficially owned by Mr. Johnson,

32,418 shares held by Mr. Johnson's spouse, and

8,600 shares deemed beneficially owned by Mr. Johnson as trustee of a trust for the benefit of the McCranie Companies Profit Sharing Plan.

(16) Share balance includes:

10,001 shares issuable upon exercise of stock options beneficially owned by Mr. Spiegel.

(17) Share balance includes:

4,001 shares issuable upon exercise of stock options beneficially owned by Mr. Young.

(18) Share balance includes:

1,972,277 shares issuable upon exe