

Orchids Paper Products Company
Business Conduct and Ethics Policy

It is a basic principle of Orchids Paper Products Company (“Orchids”) that all business conduct must adhere to the highest standards of integrity and propriety. This Business Conduct and Ethics Policy (this “Policy”) has been adopted by the Orchids Board of Directors (the “Board”) as part of Orchids’ commitment to conducting its business according to the highest ethical, moral and legal standards. This Policy applies to all Orchids officers and employees (collectively, “Associates”) and all members of the Orchids Board (“Directors”). All Associates and Directors are expected to use sound business judgment, to adhere to the highest ethical and moral standards, and to avoid conflicts of interest. Orchids encourages Associates and Directors to seek guidance as to appropriate conduct in particular situations from supervisors, managers or others.

It is important that all Directors and Associates read and understand this Policy, which covers the following topics:

- I. Conflicts of Interest
- II. Corporate Opportunities
- III. Confidentiality
- IV. Fair Dealing
- V. Antitrust Laws
- VI. Protection and Proper Use of Orchids Assets
- VII. Compliance with Laws
- VIII. Accounting, Internal Accounting Controls, and Auditing Matters
- IX. Investigation of Violations or Suspected Violations
- X. Discipline for Unethical or Illegal Activity
- XI. Amendments to and Waivers of this Policy
- XII. Oversight and Annual Acknowledgement of this Policy
- XIII. How to Report Illegal or Unethical Activity or Potential Violations

I. Conflicts of Interest

One of the purposes of this Policy is to promote honest and ethical conduct, including the ethical handling of actual or perceived conflicts of interest between personal and professional relationships. Any direct or indirect conflict of interest between an Associate or Director on the one hand, and Orchids on the other hand, is prohibited unless specifically consented to by Orchids as set forth in this Policy.

A conflict of interest exists if, in the course of employment, the Associate's, or in the course of service to Orchids, a Director's, judgment and discretion is or may be influenced by considerations of personal gain, either for one's self or a third party. All business decisions for Orchids should reflect the independent judgment and discretion of Orchids Directors and Associates, uninfluenced by any considerations other than what is honestly believed to be in the best interest of Orchids and its stockholders.

If an Associate or Director believes a conflict or potential conflict of interest exists, the Associate or Director should report the situation to Orchids as set forth in this Policy. If the facts are disclosed and Orchids determines there is no illegal or unethical conflict involved, the Board may consent to the proposed activity even though a technical or nominal conflict of interest may exist.

It is not possible to address every possible potential conflict of interest situation in this Policy. The illustrations below provide examples of everyday situations that could be deemed to create a conflict of interest. The Chief Financial Officer will answer specific questions regarding similar situations and others on a case-by-case basis.

a. *Relationships with Suppliers and Competitors*

An Associate or Director should not own any substantial stock or other financial interest in or participate in the business (as director, employee or consultant) of any:

- actual or potential vendor to Orchids.
- competitor of Orchids.

b. *Indirect Interest and Relationships*

An Associate or Director has a potential conflict of interest whenever a close relative of such has a significant interest in an Orchids transaction or a significant relationship with any supplier or competitor of Orchids. Any such potential conflict of interest should be report to Orchids as set forth in this Policy.

c. *Gifts, Loans and Entertainment*

An Associate or Director should not:

- accept gifts from a supplier or competitor or someone seeking to do business with Orchids other than a gift that is consumable and of nominal value. If a non-consumable gift is given (such as tickets for sporting events), the gift should be

given to the Chief Financial Officer for use as a prize for a contest or lottery drawing.

- accept loans or guarantees from a supplier or competitor or someone seeking to do business with Orchids other than from a financial institution at market interest rate and market terms.
- purchase items from a supplier or competitor or someone seeking to do business with Orchids at below market terms.

Participating in business-related functions, such as lunches or dinners is a normal and permissible business practice. However, each Associate and Director should exercise care to ensure that such functions are necessary and that their value and frequency are not excessive. Again, if there are any questions regarding the acceptance of a gift, the Chief Financial Officer should be consulted.

d. *Outside Business Activities*

Active participation in any outside business would be a conflict of interest if:

- the participation could interfere with the Associate's or Director's ability to devote proper time and attention to its duties to Orchids.
- it constitutes a drain away from Orchids of his or her talents and creative energy.

e. *Non-business Activities*

Participation in the activities of charitable, professional and trade institutions on a non-compensated basis will not generally create a conflict of interest. However, if such participation involves a substantial commitment of time, such situation should receive the prior written consent of Orchids as set forth in this Policy.

II. Corporate Opportunities

Associates and Directors are prohibited from taking for themselves personally opportunities that are discovered through the use of Orchids property, information or position without the consent of the Board. No Associate or Director may use Orchids property, information, or position for improper personal gain, and no Associate or Director may compete with Orchids directly or indirectly. Associates and Directors owe a duty to Orchids to advance Orchids' legitimate interests when an opportunity to do so arises.

III. Confidentiality

Disclosure of any confidential information of Orchids or its customers is prohibited except when disclosure is authorized by Orchids or legally mandated. Each Associate and Director shall exercise care to reduce the likelihood of unauthorized and or inadvertent disclosures of confidential information to spouses, friends and business associates. Documents containing confidential information should be properly safeguarded at all times. For example, after a meeting, no written materials should be left behind. Confidential information includes all

information that is not generally available to and known by the public and, if disclosed, might be useful to competitors or harmful to Orchids or its customers.

Confidentiality of information entrusted to Associates and Directors by Orchids or its customers should be maintained unless disclosure is authorized by the owner of such information and Orchids or legally required.

IV. Fair Dealing

Orchids seeks to outperform its competition fairly and honestly. We seek competitive advantage through superior performance, not through unethical or illegal business practices. Associates and Directors should endeavor to deal fairly with Orchids' customers, suppliers, competitors and other Associates. Associates and Directors should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

V. Antitrust Laws

Antitrust laws are designed to promote competitive pricing in the marketplace, unrestricted by improper conspiracies such as price fixing. Specifically, any agreement or understanding between competitors concerning price, or any element of price (such as discounts or credit terms), including arrangements which tend to stabilize prices, is prohibited. Also, understandings between competitors concerning (1) the amount of their production, (2) the division or allocation of markets, territories, or customers, or (3) the boycotting of third parties, is prohibited.

Remember, there does not need to be a formal document signed by the parties to be an understanding or agreement. Instead, a conspiracy or understanding may be found if there is any kind of mutual understanding that a business practice or decision adopted by one party would be followed, or at least not opposed, by the other party.

Exchanges of business information between competitors and trade association activities may present problems under the antitrust laws. Therefore, the Chief Financial Officer must be consulted if there are any questions.

The antitrust laws also prohibit an agreement or understanding by the seller and customer which sets the price at which the customer will resell the product. No restrictions on resale should ever be made without prior legal review.

VI. Protection and Proper Use of Orchids Assets

Protecting Orchids assets against loss, theft, misuse and waste is the responsibility of every Associate and Director. Theft, carelessness and waste directly impact our profitability and any suspected theft, fraud or inefficient use of Orchids assets should be reported to Orchids as set forth in this Policy. The sole purpose of Orchids equipment, vehicles and supplies is the conduct of Orchids business. Orchids assets should be protected, used efficiently and used only for legitimate business purposes. Orchids property and assets may not be used for non-Orchids business and may not be sold, loaned, given away or disposed of without proper authorization.

VII. Compliance with Laws

Orchids strives to be a good corporate citizen and to comply with applicable foreign and domestic laws, rules and regulations, including but not limited to insider trading laws. All Associates and Directors must respect and obey the laws of the cities, states and countries in which Orchids operates. No Associate or Director should take any action on behalf of Orchids which the Associate or Director knows or reasonably should know violates any applicable law or regulation.

Neither Orchids nor its Associates or Directors should assist any third party in violating the laws of any country. This provision applies whether or not the assistance itself violates the laws of any country.

VIII. Accounting, Internal Accounting Controls, and Auditing Matters

One purpose of this Policy is to promote full, fair, accurate, timely, and understandable disclosure in reports and documents that Orchids files with, or submits to, the Commission and in other public communications made by Orchids. In addition, federal securities laws require that publicly held companies such as Orchids maintain complete and accurate accounting records. This requires that Orchids use prescribed uniform accounting and control practices. Orchids is strongly committed to complying with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices. Therefore, in addition to being bound by all of the provisions of this Policy, the Chief Executive Officer, the President, the Chief Financial Officer and key management employees (including other senior financial officers) who have been identified by the Board (each a “Financial Officer,” and collectively, the “Financial Officers”) are subject to the following financial provisions:

- The Financial Officers are responsible for full, fair, accurate, timely and understandable disclosure in the reports and documents that Orchids files with, or submits to, the Commission and in other public communications made by Orchids. It is the responsibility of each Financial Officer promptly to bring to the attention of the Chair of the Audit Committee (the “Audit Chair”) of the Board any material information of which he or she may become aware that is omitted from or misstated in the disclosures made by Orchids in its public filings.
- Each Financial Officer shall promptly bring to the attention of the Audit Chair any information he or she may have concerning (a) significant deficiencies in the design or operation of internal controls that could adversely affect Orchids’ ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in Orchids financial reporting, disclosures or internal controls.
- Each Financial Officer shall act with honesty and integrity in the performance of his or her duties and shall comply with laws, rules and regulations of federal, state and local governments and other private and public regulatory agencies that affect the conduct of Orchids’ business and financial reporting.
- Each Financial Officer shall promptly bring to the attention of the Audit Chair any information he or she may have concerning evidence of a material violation of the

securities or other laws, rules or regulations applicable to Orchids and the operation of its business, by Orchids or any agent thereof, or any violation of this financial section of the Policy.

- Each Financial Officer shall maintain high standards of honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

The Orchids Audit Committee believes that Associates and Directors, as well as other parties, can play an important role in monitoring Orchids' compliance with these matters. The Audit Committee expects Associates, Directors and others to report any questionable accounting, internal accounting controls or auditing matters. In addition, the following activities are expressly prohibited and should be immediately reported: (1) fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of Orchids, (2) fraud or deliberate error in the recordation or maintenance of financial records of Orchids,

(3) deficiencies in or noncompliance with the internal accounting controls of Orchids,

(4) misrepresentation or false statement to or by an officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of Orchids, (5) deviation from full and fair reporting of the financial condition of Orchids, and (6) mail fraud, wire fraud, bank fraud, securities fraud, violation of any rules or regulations of the Commission or violation of any federal law relating to fraud against shareholders. Any report of such violation or suspected violation should be immediately reported directly to the Audit Chair at the address set forth below, or to the Business Conduct and Ethics Hotline, also set forth below.

IX. Investigation of Violations or Suspected Violations

Upon receipt of a report of a violation or suspected violation, the Nominating and Corporate Governance Committee, or Audit Committee, as applicable, will when possible acknowledge receipt of the complaint to the sender. Reports received by the Nominating and Corporate Governance Committee of violations or suspected violations will be promptly reviewed and the committee will maintain a log of all complaints, tracking their receipt, investigation and resolution. Reports of alleged violations concerning Directors or executive officers will be investigated by or at the direction of the Nominating and Corporate Governance Committee, an independent committee, and investigations of alleged violations or suspected violations involving other employees will be conducted by or at the direction of the Chief Financial Officer. Reports received by the Nominating and Corporate Governance Committee of violations or suspected violations that involve accounting; internal accounting controls or auditing matters will be forwarded to the Audit Committee for investigation. The Audit Committee will each maintain a log of all such complaints, tracking their receipt, investigation and resolution.

Any Associate's or Directors' report of a violation or suspected violation should include the facts giving rise to the belief that a violation has or will occur and the name of the person to whom the violation was first reported, if any. While reports may be made anonymously, any Associate or Director reporting a violation is encouraged to include their name so that clarification, discussion and further investigation of the issue can occur and the issues can be resolved quickly, efficiently and equitably.

All employees and members of management have a duty to promptly cooperate and provide accurate information in connection with any investigation of reports of questionable conduct, or of discrimination, retaliation or harassment resulting from the reporting or investigation of such matters.

At all times during the investigation process, the identity of the person making the report and any alleged offending party will remain confidential to the extent feasible. Upon completion of the investigation, the Associate or Director who made the report will be notified when possible of the outcome of the investigation, with the exception of any personnel actions taken in response to any violation.

X. Discipline for Unethical or Illegal Activity

Violations of this Policy are serious offenses which may result in disciplinary action, reprimand, suspension, dismissal or civil action by Orchids. Prompt and appropriate corrective action will be taken when and as warranted, depending on the nature and gravity of the conduct and circumstances. In addition, violations of this Policy which are also violations of law may result in fines, penalties, criminal prosecutions or other legal remedies.

XI. Amendments to and Waivers of this Policy

Amendments to, and waivers of (except with respect to executive officers or Directors), this Policy shall be disclosed as required within 4 business days after the amendment or waiver,: (1) by filing with the Commission a Current Report on Form 8-K disclosing such, which may or may not include a press release, or (2) if Orchids has disclosed in its most recently filed Annual Report on Form 10-K its intention to use its website for such purpose, by posting the disclosure on the Orchids website, or otherwise as required by SEC and NYSE MKT rules. Waivers with respect to Associates other than executive officers may be granted by the Nominating and Corporate Governance Committee. Waivers of conflicts of interest with respect to our executive officers and Directors may only be granted by the Board and shall be disclosed in a Current Report on Form 8-K within 4 business days after the occurrence of the event. If the event occurs on a Saturday, Sunday or holiday on which the Commission is not open for business, then the 4 business day period shall begin to run on and include the first business day thereafter.

If posted on the website, the disclosure shall remain on the website for at least 12 months and subsequent thereto shall be retained by Orchids in its corporate records for not less than five years. Upon request, Orchids will furnish to the Commission or its staff a copy of any or all information retained pursuant to this provision of this Policy.

For purposes of this Policy, term “executive officer” means the president, principal financial officer, principal accounting officer, any vice-president of the issuer in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the issuer.

The Board, with the help of the Nominating and Corporate Governance Committee, shall periodically review and revise this Policy as necessary.

XII. Oversight and Annual Acknowledgement of this Policy

A copy of this Policy shall be posted on the Orchids website. In addition, the Orchids annual proxy statement shall state that this Policy is available on the Orchids website and is available in print free of charge to any stockholder who requests it.

The Directors have a fiduciary duty to embrace the adoption and maintenance of corporate compliance programs, of which this Policy is an integral part, designed to detect corporate wrongdoing, and bring it to the attention of management and the Board. The Board shall exercise reasonable oversight with respect to the implementation and effectiveness of this Policy, which includes being knowledgeable about the content and operation of the program and exercising reasonable oversight with respect to its implementation and effectiveness. Orchids shall communicate these standards and procedures to Directors by conducting effective training programs and otherwise disseminating information that is appropriate to the roles and responsibilities of the Directors. In addition, the Audit Committee will ensure that a copy of this Policy is provided to the independent auditors of Orchids and to any consultants, agents or other representatives of Orchids involved in any manner with accounting, internal accounting controls or auditing matters.

At least once a year, the directors, and named executive officers, shall acknowledge receipt and understanding of this Policy and certify as to their compliance with the terms of this Policy in their Director and Officer Questionnaires. In addition, at least once a year, the Chief Financial officer shall identify those non-hourly employees (i) who have a position at an appropriate level, (ii) who have contact with vendors, and/or (iii) who otherwise have responsibilities that may put the company at risk if they do not comply with this Policy (such as accounting, purchasing, and marketing) and distribute this Policy to such persons so that they may certify as to their understanding of and compliance with the Policy.

XIII. How to Report Unethical or Illegal Activity or Potential Violations

If an Associate or Director has knowledge or is suspicious of any noncompliance with any section of this Policy or is concerned whether circumstances could lead to a violation of this Policy, or is otherwise aware of a violation of federal, state or local law or a significant or recurring intentional misuse of Orchids funds or assets, he or she should promptly bring the situation to the attention of the Corporation. Reports may be made anonymously. In general it is more difficult to conduct an effective investigation in response to an anonymous complaint due to the difficulty of interviewing and evaluating anonymous complainants. Therefore, individuals submitting anonymous complaints should especially provide as much detailed and specific information as possible without compromising anonymity.

All reports should be made in good faith. Good faith requires that the reporting person make a reasonable investigation of the facts available to them and then, after careful consideration, determine the situation should be reported. Any reports not made in good faith may be subject to disciplinary action.

There are several ways a report may be made.

<ul style="list-style-type: none"> • An Associate may report a matter to any of the following, depending on who the Associate is more comfortable contacting and who would be more appropriate to contact given the situation: <ul style="list-style-type: none"> ○ his or her immediate supervisor ○ the Chief Financial Officer Phone: 803-450-1026 Email: rdgloss@orchidpaper.com ○ any executive officer ○ the Chairman of the Nominating and Corporate Governance Committee Phone: 866-264-0228 Email: businessconduct@orchidpaper.com 	<ul style="list-style-type: none"> • A Director or executive officer may report a matter to any of the following, depending on who the Director or officer is more comfortable contacting and who would be more appropriate to contact given the situation: <ul style="list-style-type: none"> ○ the Chief Financial Officer Phone: 803-450-1026 Email: rdgloss@orchidpaper.com ○ the Chairman of the Nominating and Corporate Governance Committee Phone: 866-264-0228 Email: businessconduct@orchidpaper.com
<ul style="list-style-type: none"> • Matters related to auditing, internal controls or financial issues may be reported to the Audit Chair via phone: 866-264-0228 or email: businessconduct@orchidpaper.com 	
<ul style="list-style-type: none"> • Reports may be mailed to the Corporation's Business Conduct and Ethics mailbox at: Chairman, Nominating and Corporate Governance Committee 5103 S Sheridan Road, #631 Tulsa, OK 74145 	<ul style="list-style-type: none"> • Reports may be made via the Business Conduct and Ethics Hotline, available 24 hours a day, 365 days a year: Hotline: 866-264-0228
<p>Questions concerning this Policy may be directed to the Chief Financial Officer via phone 803-450-1026 or email rdgloss@orchidpaper.com, or the Chairman of the Nominating and Corporate Governance Committee via phone 866-264-0228 or email businessconduct@orchidpaper.com, or either by mail sent to the company at: c/o Secretary, Orchids Paper Products Company, 201 Summit View Drive, Brentwood, Tennessee 37027.</p>	

No Retaliation

Orchids will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any Associate or Director in terms and conditions of employment or service based upon any lawful actions of such Associate or Director with respect to good faith reporting of any violation or suspected violation of the law or this Policy. Any retaliation will be subject to disciplinary action.