

KP TISSUE INC.

MAJORITY VOTING POLICY

The board of directors (the “**Board of Directors**”) of KP Tissue Inc. (the “**Corporation**”) is committed to fulfilling its mandate to supervise the management of the business and affairs of the Corporation in accordance with the highest standards and in the best interests of the shareholders of the Corporation. The Board of Directors has, in light of best practice standards in Canada, unanimously adopted this statement of policy providing for majority voting in director elections at any meeting of the Corporation’s shareholders where an “uncontested election” of directors is held. For the purposes of this policy, an “uncontested election” of directors of the Corporation means an election where the number of nominees for directors is equal to the number of directors to be elected.

Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes in favour of such nominee, the director nominee shall be required to promptly submit his or her resignation to the Board of Directors, to take effect on acceptance by the Board of Directors.

Following receipt of a resignation submitted pursuant to this policy, the Nominating Committee of KP Tissue Inc. (the “**Nominating Committee**”) shall consider whether or not the resignation should be accepted and shall recommend to the Board of Directors whether or not to accept it. In considering whether or not the resignation should be accepted, the Nominating Committee will evaluate the best interests of the Corporation and its shareholders and will consider a number of factors including, without limitation, any alternatives to cure the underlying cause of the withheld votes, the skills and attributes of the director and the overall composition of the Board of Directors (including the current mix of skills and attributes of the Board of Directors), any obligations of the Corporation with respect to the nomination of directors, and whether accepting the resignation would cause the Corporation to fail to meet any applicable listing or regulatory requirement.

Within 90 days following the applicable meeting of the Corporation’s shareholders, the Board of Directors shall make its decision and announce it by way of news release. The Board of Directors is not limited with respect to any action it may take if a director’s resignation is accepted including appointing a new director to fill the vacancy.

A director who tenders his or her resignation pursuant to this majority voting policy shall not be permitted to participate in any meeting of the Board of Directors and/or the Nominating Committee, if he or she is a member of the Board of Directors and/or the Nominating Committee, as applicable, at which his or her resignation is considered. However, if all members of the Nominating Committee received a greater number of withheld votes than the votes for each member in the same election, or a sufficient number of the Nominating Committee members received a majority of withheld votes, such that the Nominating Committee would no longer have a quorum, then the Board of Directors shall consider whether or not to accept the resignations without a recommendation from the Nominating Committee.

In the event that a sufficient number of the Board of Director members received a greater number of proxy votes withheld than the votes for such members in the same election, such that the Board of Directors would no longer have a quorum, then all of the members of the Board of Directors may consider whether or not to accept the resignations.

The Nominating Committee may adopt such procedures as it sees fit to assist it in its determinations with respect to this policy.

Future nominees for election to the Board of Directors will be required to confirm that they will abide by this policy.

This policy was unanimously approved by the Board of Directors of KP Tissue Inc. on March 26, 2013.