

No. S120712  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,  
R.S.C. 1985, c. C-44

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57

AND

IN THE MATTER OF CATALYST PAPER CORPORATION  
AND THE PETITIONERS LISTED IN SCHEDULE "A"

PETITIONERS

ORDER MADE AFTER APPLICATION

*Or*

~~CLAIMS PROCEDURE ORDER~~

BEFORE THE HONOURABLE  
MR. JUSTICE SEWELL

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)  
)

March 22, 2012

ON THE APPLICATION of the Petitioner Parties coming on for hearing at Vancouver, British Columbia, on the 21<sup>st</sup> day of March, 2012; AND ON HEARING, Bill Kaplan, Q.C., Peter Rubin and Andrew Crabtree, counsel for the Petitioner Parties, John Grieve

and Kibben Jackson, counsel for the Monitor, PricewaterhouseCoopers Inc., and those other counsel listed in **Schedule "B"** hereto; AND UPON READING the material filed;

THIS COURT ORDERS AND DECLARES THAT:

### **SERVICE**

1. The time for service of the Notice of Application herein be and is hereby abridged and the Notice of Application is properly returnable today and service thereof upon any interested party other than those parties on the Service List is hereby dispensed with.

### **DEFINITIONS AND INTERPRETATION**

2. For the purposes of this Claims Procedure Order, all capitalized terms not otherwise defined in this Claims Procedure Order shall have the definitions set out in **Schedule "C"** hereto.

3. All references herein as to time shall mean local time in Vancouver, British Columbia, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein and any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

4. All references to the word "including" shall mean "including, without limitation".

5. All references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

### **GENERAL PROVISIONS**

6. The Claims Procedure, including the Claims Bar Date and the Restructuring Claims Bar Date, is hereby approved.

7. The Petitioner Parties and the Monitor are hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed and the time in which they are

submitted, and may, where they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order, including in respect of the completion, execution and time of delivery of such forms, and may request any further documentation from a Creditor that the Petitioner Parties or the Monitor may require in order to enable them to determine the validity of a Claim.

8. Any Claims denominated in a currency other than U.S. Dollars shall be converted to U.S. Dollars at the Bank of Canada noon spot rate in effect on the Commencement Date. Canadian Dollar denominated claims shall be converted at the Bank of Canada Canadian/U.S. Dollar noon spot rate in effect on the Commencement Date, which rate was USD \$1.00 = CAD \$1.0052.

9. Copies of all forms delivered by or to a Creditor hereunder, as applicable, and determinations of Claims by the Monitor, a Claims Officer or the Court, as the case may be, shall be maintained by the Monitor and, subject to further order of the Court, such Creditor will be entitled to have access thereto by appointment during normal business hours on written request to the Petitioner Parties and the Monitor.

#### **MONITOR'S ROLE**

10. The Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Amended and Restated Initial Order, shall assist the Petitioner Parties in connection with the administration of the Claims Procedure, including the determination of Claims of Creditors and the referral of any Claim to a Claims Officer or to the Court, as requested by the Petitioner Parties from time to time, and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order.

#### **CLAIMS PROCEDURE FOR UNSECURED NOTEHOLDERS**

11. The Petitioner Parties and the Monitor shall not be required to send Claims Packages to the Unsecured Noteholders and neither the Unsecured Noteholders nor the Unsecured Notes Indenture Trustee shall be required to file Proofs of Claim in respect of their Claims pertaining to principal or accrued interest owing under the Unsecured Notes.

Within five (5) Business Days of the date of this Claims Procedure Order, the Petitioner Parties shall send to the Unsecured Notes Indenture Trustee (as agent for the Unsecured Noteholders), the Monitor and the Initial Supporting Unsecured Noteholders a notice (the **“Unsecured Noteholder Claims Notice”**) stating the amounts of principal and accrued interest owing up to the Meeting Date directly by Catalyst under the Unsecured Notes Indenture and by the other Petitioner Parties under the guarantees executed by such other Petitioner Parties in respect of the Unsecured Notes (the **“Unsecured Notes Claims Voting Amount”**). Within ten (10) Business Days of receipt of the Unsecured Noteholder Claims Notice, the Unsecured Notes Indenture Trustee, in consultation with the Initial Supporting Unsecured Noteholders, shall advise the Petitioner Parties and the Monitor in writing whether the Unsecured Notes Claims Voting Amount is accurate. If the Unsecured Notes Claims Voting Amount is confirmed by the Unsecured Notes Indenture Trustee, after consultation with the Initial Supporting Unsecured Noteholders, or in the absence of any response by the Unsecured Notes Indenture Trustee or the Initial Supporting Unsecured Noteholders (if the Unsecured Notes Indenture Trustee does not respond) within ten (10) Business Days of receipt of the Unsecured Noteholder Claims Notice, the Unsecured Notes Claims Voting Amount shall be deemed to be the amounts of principal and accrued interest owing directly by Catalyst under the Unsecured Notes Indenture and by the other Petitioner Parties under the guarantees executed by such other Petitioner Parties in respect of the Unsecured Notes solely for the purpose of voting on any Plan; *provided, however*, that, for the purposes of distribution under any Plan or distribution from the proceeds of sale of any of the Petitioner Parties’ assets, or otherwise from the Petitioner Parties or anyone else on behalf of the Petitioner Parties, the total amounts owing directly by Catalyst and by the other Petitioner Parties under the guarantees executed by such other Petitioner Parties in respect of the Unsecured Notes (the **“Unsecured Notes Claims Distribution Amount”**) shall be the amounts of principal and accrued interest under the Unsecured Notes Indenture owing up to the Effective Date of the Plan or the date of distribution of the proceeds of sale of any of the Petitioner Parties’ assets, unless the amounts of such Claims are otherwise agreed to in writing by the Petitioner Parties and the Unsecured Notes Indenture Trustee, after consultation with the Initial Supporting Unsecured Noteholders, in which case such

agreement shall govern or, if no agreement is reached the Unsecured Notes Claims Distribution Amount shall be determined by the Court. If the Unsecured Notes Indenture Trustee, after consultation with the Initial Supporting Unsecured Noteholders, advises the Petitioner Parties and the Monitor in writing (within ten (10) Business Days of receipt of the Unsecured Noteholder Claims Notice) that it cannot confirm the Unsecured Notes Claims Voting Amount, such amount shall be determined by the Court for voting purposes only, unless the amounts of such Claims are otherwise agreed to in writing by the Petitioner Parties and the Unsecured Notes Indenture Trustee, in which case such agreement shall govern. The Claims pertaining to the Unsecured Notes Claims Distribution Amount, as determined in accordance with this paragraph 11, shall be Allowed Claims. For greater certainty, to the extent that any Unsecured Noteholder wishes to assert a Claim against any of the Petitioner Parties and/or any Director and/or Officer, other than for principal and accrued interest owing under the Unsecured Notes, such Unsecured Noteholder shall be required to file a Proof of Claim in accordance with paragraph 20 hereof.

#### **CLAIMS PROCEDURE FOR FIRST LIEN NOTEHOLDERS**

12. The Petitioner Parties and the Monitor shall not be required to send Claims Packages to the First Lien Noteholders and neither the First Lien Noteholders nor the First Lien Notes Indenture Trustee shall be required to file Proofs of Claim in respect of their Claims pertaining to principal or accrued interest owing under the First Lien Notes. Within five (5) Business Days of the date of this Claims Procedure Order, the Petitioner Parties shall send to the First Lien Notes Indenture Trustee (as agent for the First Lien Noteholders), the Monitor and the Steering Group a notice (the “**First Lien Noteholder Claims Notice**”) stating the amounts of principal and accrued interest owing up to the Meeting Date directly by Catalyst under the First Lien Notes Indentures and by the other Petitioner Parties under the guarantees executed by such other Petitioner Parties in respect of the First Lien Notes (the “**First Lien Notes Claims Voting Amount**”). Within ten (10) Business Days of receipt of the First Lien Noteholder Claims Notice, the First Lien Notes Indenture Trustee after consultation with the Steering Group shall advise the Petitioner Parties and the Monitor in writing whether the First Lien Notes Claims Voting

Amount is accurate. If the First Lien Notes Claims Voting Amount is confirmed by the First Lien Notes Indenture Trustee after consultation with the Steering Group, or in the absence of any response by the First Lien Notes Indenture Trustee or the Steering Group (if the First Lien Notes Indenture Trustee does not respond) within ten (10) Business Days of receipt of the First Lien Noteholder Claims Notice, the First Lien Notes Claims Voting Amount shall be deemed to be the amounts of principal and accrued interest owing directly by Catalyst under the applicable First Lien Notes Indenture and by the other Petitioner Parties under the guarantees executed by such other Petitioner Parties in respect of the First Lien Notes solely for the purpose of voting on any Plan; *provided, however*, that, for the purposes of distribution under any Plan or distribution from the proceeds of sale of any of the Petitioner Parties' assets, or otherwise from the Petitioner Parties or anyone else on behalf of the Petitioner Parties the total amounts owing directly by Catalyst and by the other Petitioner Parties under the guarantees executed by such other Petitioner Parties in respect of the First Lien Notes (the "**First Lien Notes Distribution Amount**") shall be the amounts of principal and accrued interest under the First Lien Notes Indenture owing up to the Effective Date of the Plan or the date of distribution of the proceeds of sale of such Petitioner Parties' assets as applicable, unless the amounts of such Claims are otherwise agreed to in writing by the Petitioner Parties and the First Lien Notes Indenture Trustee (after consultation with the Steering Group), in which case such agreement shall govern or, if no agreement is reached the First Lien Note Distribution Amount shall be determined by the Court. If the First Lien Notes Indenture Trustee, after consultation with the Steering Group, advises the Petitioner Parties and the Monitor in writing (within ten (10) Business Days of receipt of the First Lien Noteholder Claims Notice) that it cannot confirm the First Lien Notes Voting Amount, such amount shall be determined by the Court for voting purposes only, unless the amounts of such Claims are otherwise agreed to in writing by the Petitioner Parties and the First Lien Notes Indenture Trustee after consultation with the Steering Group, in which case such agreement shall govern. The Claims pertaining to the First Lien Notes Distribution Amount, as determined in accordance with this paragraph 12, shall be Allowed Claims, and will be distributed as provided for under the terms of the Plan. For greater certainty, to the extent that any First Lien Noteholder wishes to assert a Claim

against any of the Petitioner Parties and/or any Director and/or Officer, other than for principal and accrued interest owing under the First Lien Notes, such First Lien Noteholder shall be required to file a Proof of Claim in accordance with paragraph 20 hereof.

#### **NOTICE OF CLAIMS**

13. Subject to paragraphs 11 and 12 hereof, forthwith after the date of this Claims Procedure Order, and in any event within three (3) Business Days following the date of this Claims Procedure Order, the Monitor shall cause a Claims Package to be sent to: (a) each Creditor with a Claim as evidenced by the books and records of the Petitioner Parties as of the Commencement Date in accordance with paragraph 36 hereof, (b) each counter-party to any contract or agreement entered into prior to the Commencement Date, which a Petitioner Party has advised the Monitor has received a Notice of Disclaimer or Resiliation from such Petitioner Party prior to the date of this Claims Procedure Order, and (c) each party listed in the Amendment of Consolidated List Required Pursuant to Fed. R. Bankr. P. 1007(a)(4), filed with the U.S. Court on January 31, 2012, in each case to the address of such Creditor or counter-party set out in the applicable Petitioner Party's records. Any Notice of Disclaimer or Resiliation delivered to a Person after the date of this Claims Procedure Order shall be accompanied by a Claims Package. A Claim Amount Notice shall be included in a Claims Package if such Claim Amount Notice is provided to the Monitor by the Petitioner Parties prior to the Monitor sending such Claims Package. The Monitor shall not be required to send a Claims Package to any pension plan beneficiary, pension plan administrator or any current or former employee.

14. Forthwith after the date of this Claims Procedure Order, and in any event within four (4) Business Days following the date of this Claims Procedure Order, the Monitor shall cause the Newspaper Notice to be published for one (1) Business Day in *The National Post*, the *Victoria Times Colonist*, the *Vancouver Sun* and *The Wall Street Journal*.

15. Forthwith after the date of this Claims Procedure Order, and in any event within two (2) Business Days following the date of this Claims Procedure Order, the Monitor

shall post on the Monitor's Website a copy of this Claims Procedure Order, a blank Proof of Claim form, the Instruction Letter and a blank Notice of Dispute form.

16. To the extent that any Creditor requests documents relating to the Claims Procedure prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, the Monitor shall forthwith cause a Claims Package to be sent to the Creditor, direct the Creditor to the documents posted on the Monitor's Website, and otherwise respond to the request relating to the Claims Procedure as may be appropriate in the circumstances.

17. Subject to further order of the Court, any Notice of Disclaimer or Resiliation issued by the Petitioner Parties must be issued by the Petitioner Parties at least fifteen (15) days prior to a scheduled Meeting, if any, or any adjournment thereof.

#### **NOTICE SUFFICIENT**

18. The forms of Instruction Letter, Proof of Claim, Notice of Revision or Disallowance, Notice of Dispute and Newspaper Notice substantially in the forms attached to this Claims Procedure Order as **Schedules "D", "E", "F", "G" and "H"**, respectively, are hereby approved. Despite the foregoing, the Petitioner Parties and the Monitor may, from time to time, make minor changes to such forms as the Petitioner Parties and the Monitor consider necessary or desirable.

19. Publication of the Newspaper Notice, the sending to the Creditors of a Claims Package in accordance with this Claims Procedure Order, and completion of the other requirements of this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of this Claims Procedure Order, the Claims Bar Date and the Restructuring Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert a Claim, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Claims Procedure Order.



## **FILING PROOFS OF CLAIM FOR CLAIMS OTHER THAN RESTRUCTURING CLAIMS**

20. Subject to paragraphs 11, 12, 22 and 24 hereof, any Creditor who wishes to assert a Claim (other than a Restructuring Claim) against any of the Petitioner Parties and/or any Director and/or Officer shall file a Proof of Claim with the Monitor in the manner set out in paragraph 37 hereof so that the Proof of Claim is received by the Monitor by no later than the Claims Bar Date.

21. Subject to paragraphs 11, 12, 22 and 24 hereof, any Person that does not file a Proof of Claim as provided for in paragraph 20 hereof so that such Proof of Claim is received by the Monitor on or before the Claims Bar Date, or such later date as the Monitor and the Petitioner Parties, with the consent of the Majority Initial Supporting Noteholders in consultation with the Initial Supporting Unsecured Noteholders, may agree in writing or the Court may otherwise direct, shall:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any Claim against any of the Petitioner Parties and/or any of the Directors and/or Officers and all such Claims shall be forever extinguished;
- (b) not be permitted to vote on the Plan on account of such Claim;
- (c) not be permitted to participate in any distribution under any Plan, from the proceeds of any sale of the Petitioner Parties' assets, or otherwise on account of such Claim(s); and
- (d) not be entitled to receive further notice in respect of the Claims Procedure, these CCAA Proceedings or the Meetings.

22. Notwithstanding paragraphs 20 and 21 hereof, any Creditor who receives a Claim Amount Notice and who does not dispute the Claim as set forth in the Claim Amount Notice, is not required to file a Proof of Claim by the Claims Bar Date. If a Creditor who receives a Claim Amount Notice does not file a Proof of Claim by the Claims Bar Date,

then such Creditor's Claim as set out in the Claim Amount Notice shall be an Allowed Claim for voting and distribution purposes. Any Creditor who receives a Claim Amount Notice and wishes to dispute the amount set out therein shall file a Proof of Claim with the Monitor in accordance with paragraph 20 hereof.

23. Notwithstanding anything contained in this Claims Procedure Order, Unaffected Claims shall not be extinguished or affected by this Claims Procedure Order and, for greater certainty, paragraph 21 shall not apply to the Unaffected Claims.

### **FILING PROOFS OF CLAIM FOR RESTRUCTURING CLAIMS**

24. Notwithstanding paragraphs 20 and 21 hereof, any Creditor who wishes to assert a Restructuring Claim against any of the Petitioner Parties and/or any Director and/or Officer shall file a Proof of Claim with the Monitor in the manner set out in paragraph 37 hereof so that the Proof of Claim is received by the Monitor by no later than the Restructuring Claims Bar Date. All other dates contained herein (other than the Claims Bar Date), shall apply equally to any Restructuring Claims.

25. Any Person that does not file a Proof of Claim in respect of a Restructuring Claim as provided for in paragraph 24 hereof so that such Proof of Claim is received by the Monitor on or before the Restructuring Claims Bar Date, or such later date as the Monitor and the Petitioner Parties, in consultation with the Initial Supporting Noteholders, may agree in writing or the Court may otherwise direct, shall:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any Restructuring Claim against any of the Petitioner Parties and/or any of the Directors and/or Officers and all such Restructuring Claims shall be forever extinguished;
- (b) not be permitted to vote on the Plan on account of such Restructuring Claim(s);

- (c) not be permitted to participate in any distribution under any Plan, from the proceeds of any sale of the Petitioner Parties' assets, or otherwise on account of such Restructuring Claim(s); and
- (d) not be entitled to receive further notice in respect of the Claims Procedure, these CCAA Proceedings or the Meetings (unless such Person is also a Creditor with a Claim other than such Restructuring Claim entitling such Person to further notice in these proceedings).

### **ADJUDICATION OF CLAIMS**

26. The Monitor shall provide the Petitioner Parties' counsel with copies of all Proofs of Claim and Notices of Dispute filed with the Monitor pursuant to the Claims Procedure. The Monitor shall grant the Petitioner Parties, their legal counsel and legal counsel for the Initial Supporting Noteholders access to a database to be created by the Monitor, which includes, among other things: (a) a regularly updated claims register, (b) electronic copies of all Proofs of Claim filed with the Monitor, (c) electronic copies of all Notices of Revision or Disallowance issued by the Monitor and/or the Petitioner Parties, and (d) electronic copies of all Notices of Dispute filed with the Monitor.

27. The Monitor, in consultation with the Petitioner Parties, shall review all Proofs of Claim received on or before the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, and shall accept, revise or disallow each Claim as set out therein. If the Petitioner Parties wish to revise or disallow a Claim, the Petitioner Parties and/or the Monitor shall, by no later than ten (10) days after the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, or such other date as may be agreed to by the Monitor, send such Creditor a Notice of Revision or Disallowance advising that the Creditor's Claim as set out in its Proof of Claim has been revised or disallowed and the reasons therefore. If neither the Petitioner Parties nor the Monitor send a Notice of Revision or Disallowance to a Creditor by such date or such other date as may be agreed to by the Monitor and the Creditor, the Claim set out in the applicable Proof of Claim shall be an Allowed Claim for voting and/or distribution purposes. Unless otherwise agreed to by the Petitioner Parties and the Monitor or ordered by the Court, all Claims set

out in Proofs of Claim that are filed after the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, are deemed to be disallowed and the Petitioner Parties and the Monitor need not deliver a Notice of Revision or Disallowance in respect of such Claim.

28. Any Creditor who is sent a Notice of Revision or Disallowance pursuant to paragraph 26 hereof and wishes to dispute such Notice of Revision or Disallowance shall deliver a completed Notice of Dispute to the Monitor by no later than 5:00 p.m. on the day which is seven (7) days after the date of the applicable Notice of Revision or Disallowance or such other date as may be agreed to by the Monitor. If a Creditor fails to deliver a Notice of Dispute by such date, the Claim set out in the applicable Notice of Revision or Disallowance, if any, shall be an Allowed Claim for voting and/or distribution purposes.

29. Upon receipt of a Notice of Dispute, the Monitor, in consultation with the Petitioner Parties, may: (i) attempt to consensually resolve the disputed Claim with the Creditor, (ii) deliver a Dispute Package to a Claims Officer appointed in accordance with the Claims Procedure, or (iii) bring a motion before the Court in these proceedings to determine the disputed Claim. If the Petitioner Parties and the Creditor consensually resolve the disputed Claim, such Claim (as resolved) shall be an Allowed Claim. If a Claim is referred under this paragraph to a Claims Officer or to the Court, the Claims Officer or the Court, as applicable, shall resolve the dispute between the Petitioner Parties and such Creditor as soon as practicable.

#### **CLAIMS OFFICER**

30. The Petitioner Parties, should they consider it necessary or desirable to do so, with the concurrence of the Monitor and in consultation with the Initial Supporting Noteholders, are authorized and empowered, but not obligated, to appoint a Claims Officer under such terms as may be approved by the Monitor and to enter into an agreement with a Claims Officer fixing reasonable remuneration of the Claims Officer as the Monitor deems reasonable and appropriate. For greater certainty, the Petitioner

Parties are authorized to appoint more than one Claims Officer should the Monitor deem such appointments reasonable and appropriate.

31. Subject to the discretion of the Court, a Claims Officer shall determine the validity and amount of disputed Claims in accordance with the Claims Procedure and to the extent necessary may determine whether any Claim or part thereof constitutes an Affected Claim. A Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced.

32. Subject to the terms hereof, a Claims Officer shall be entitled to reasonable compensation for the performance of his or her obligations set out in this Claims Procedure Order and any disbursements incurred in connection therewith. The fees and expenses of the Claims Officer shall be borne by the Petitioner Parties and shall be paid by the Petitioner Parties forthwith upon receipt of each invoice tendered by a Claims Officer.

33. Upon receipt of a Creditor's Notice of Dispute concerning the value of a Creditor's Claim, the Monitor may schedule, and cause to be conducted before the Claims Officer, a hearing to determine the nature and/or amount of such Creditor's Claim for voting and/or distribution purposes, and the Claims Officer shall as soon as practicable after the hearing, notify the Petitioner Parties, the Monitor and the Creditor of his or her determination (the "**Claims Officer's Determination**").

34. A Petitioner Party or a Creditor may, within three (3) Business Days of notification of a Claims Officer's Determination in respect of a Claim, appeal such determination to the Court by serving on the other party and filing with the Court a Notice of Application and supporting affidavit material, and the appeal shall be initially returnable within five (5) Business Days of the filing of such notice of appeal, such appeal to be an appeal based on the record before the Claims Officer and not a hearing de novo. If no party appeals the determination of a Claim by a Claims Officer within such time, the Creditor's Claim, as determined by the Claims Officer, shall be an Allowed Claim, the determination made by the Claims Officer shall be final and binding upon the

relevant Petitioner Party(ies), the Monitor and the Creditor, and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's determination of such Claim.

## **NOTICE OF TRANSFEREES**

35. Subject to the terms of the Meetings Order and the Plan, if, after the Commencement Date, the holder of a Claim (other than an Unsecured Notes Claim or First Lien Notes Claim) transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Petitioner Parties shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual written notice of such transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the relevant Petitioner Party and the Monitor in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with the Claims Procedure prior to receipt and acknowledgement by the relevant Petitioner Party and the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which a Petitioner Party may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such person to any of the Petitioner Parties. Reference to a transfer in this Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.

## **SERVICE AND NOTICES**

36. The Petitioner Parties and the Monitor may, unless otherwise specified by this Claims Procedure Order, serve and deliver the Claims Package, any letters, notices or other documents to Creditors or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to such Persons at their respective addresses or contact information as last shown on the

records of the Petitioner Parties or set out in such Creditor's Proof of Claim. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within British Columbia, the fifth Business Day after mailing within Canada (other than within British Columbia), and the seventh Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by electronic transmission, by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

37. Any Proof of Claim, Notice of Dispute or other notice or communication required to be provided or delivered by a Creditor to the Monitor or the Petitioner Parties under this Claims Procedure Order, shall be in writing in substantially the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:

PricewaterhouseCoopers Inc.,  
Court-appointed Monitor of Catalyst Paper Corporation et al.  
250 Howe Street, Suite 700  
Vancouver, British Columbia V6C 3S7  
Attention: Patricia Marshall  
Telephone: 604.806.7070  
Fax: 604.806.7806  
Email: catalystclaims@ca.pwc.com

Any such notice or communication delivered by a Creditor shall be deemed to be received upon actual receipt thereof by the Monitor before 5:00 p.m. (prevailing Pacific time) on a Business Day or, if delivered after 5:00 p.m. (prevailing Pacific time), on the next Business Day.

38. If during any period which notice or other communications are being given pursuant to this Claims Procedure Order a postal strike or postal work stoppage of general application should occur, such notice or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal

strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Claims Procedure Order.

39. The Petitioner Parties are hereby authorized and directed to file and serve this Claims Procedure Order pursuant to the terms of the Order Granting Final Relief for Recognition of a Foreign Main Proceeding Pursuant to §§ 105(a), 1517, 1519, 1520, and 1521, as entered by the U.S. Court on March 5, 2012.

40. In the event this Claims Procedure Order is later amended by further Order of the Court after a hearing on at least two (2) Business Days notice to the Service List, the Petitioner Parties or the Monitor may post such further Order on the Monitor's Website and serve such further Order on the Service List, and such posting and service shall constitute adequate notice to Creditors of such amended claims procedure.

#### **MISCELLANEOUS**

41. Notwithstanding any other provisions of this Claims Procedure Order, the solicitation by the Monitor or the Petitioner Parties of Proofs of Claim, and the filing by any Creditor of any Proof of Claim shall not, for that reason only, grant any Person standing in these CCAA Proceedings or rights under any proposed Plan.

42. For greater certainty, nothing in this Claims Procedure Order shall operate to derogate or affect the exclusive jurisdiction of the Tax Court of Canada to hear appeals and references arising under certain legislation pursuant to section 12 of the *Tax Court of Canada Act*, R.S.C. 1985, c.T-2, as amended.

43. Nothing in this Claims Procedure Order shall constitute or be deemed to constitute an allocation or assignment of Claims or Unaffected Claims by the Petitioner Parties into particular affected or unaffected classes for the purpose of a Plan.

44. The Claims Bar Date and the Restructuring Claims Bar Date, and the amount and status of every Allowed Claim, as determined under the Claims Procedure, including any determination as to the nature, amount, value, priority or validity of any Claim, including



any secured claim, shall continue in full force and effect and be final for all purposes (except as expressly stated in any Notice of Disallowance or Revision or settlement or Claims Officer's Determination or order of the Court), including in respect of any Plan and voting thereon (unless provided for otherwise in any Order of the Court), and, including for any distribution made to Creditors of any of the Petitioner Parties, whether in these CCAA Proceedings or in any of the proceedings authorized by this Court or permitted by statute, including a receivership proceeding or a bankruptcy affecting any of the Petitioner Parties.

45. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal; regulatory or administrative bodies, including any Court or administrative tribunal of any Federal or State Court or administrative body in the United States of America (including, without limitation, the United States Bankruptcy Court), to act in aid of and to be complementary to this Court in carrying out the terms of this Claims Procedure Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to (i) make such orders and to provide such assistance to the Petitioner Parties and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Claims Procedure Order, (ii) grant representative status to any of the Petitioner Parties, and to Catalyst on behalf of any or all of the Petitioner Parties, in any foreign proceeding, and (iii) assist the Petitioner Parties, Catalyst, the Monitor and the respective agents of each of the foregoing in carrying out the terms of this Claims Procedure Order.

46. The Monitor (i) in carrying out the terms of this Claims Procedure Order, shall have all of the protections given to it by the CCAA and the Amended and Restated Initial Order or as an officer of this Court, including the stay of proceedings in its favour, (ii) shall incur no liability or obligation as a result of the carrying out of its obligations under this Claims Procedure Order, (iii) shall be entitled to rely on the books and records of the Petitioner Parties, and any information provided by the Petitioner Parties, all without independent investigations, and (iv) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

47. Notwithstanding the terms of this Claims Procedure Order, the Petitioner Parties and the Monitor may apply to this Court from time to time for directions from this Court with respect to this Claims Procedure Order, including the Claims Procedure and the schedules to this Claims Procedure Order, or for such further Order or Orders as either of them may consider necessary or desirable to amend, supplement or replace this Claims Procedure Order, including any schedule to this Claims Procedure Order.

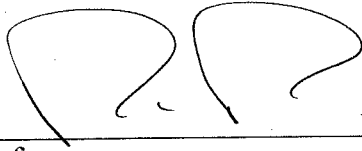
48. Notwithstanding anything to the contrary herein and not including the First Lien Notes Claims and the Unsecured Notes Claims:

- (a) a Petitioner Party may (with the consent of the Monitor) at any time refer a Claim for resolution to the Claims Officer or the Court for any purpose where in the Petitioner Party's discretion such a referral is preferable or necessary for the resolution of the valuation of the Claim for voting and/or distribution purposes;
- (b) a Petitioner Party may (with the consent of the Monitor) in writing and at any time, accept the amount of a Claim for voting purposes without prejudice to the right of the Petitioner Party to contest liability of the Claim for distribution purposes; and
- (c) a Petitioner Party may (with the consent of the Monitor) in writing and at any time, settle and resolve any disputed Claims.

**APPROVAL**

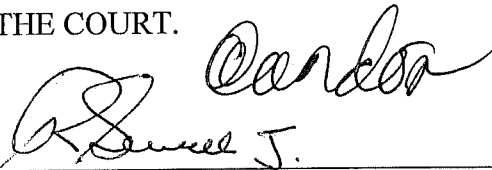
49. Endorsement of this Claims Procedure Order by counsel appearing on this application is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND  
CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE  
AS BEING BY CONSENT:



\_\_\_\_\_  
Signature of  
[ ] party [X] lawyer for the Petitioner Parties  
Bill Kaplan, Q.C./Peter Rubin

BY THE COURT.



\_\_\_\_\_  
Registrar



## **Schedule "A"**

### **LIST OF ADDITIONAL PETITIONERS**

Catalyst Pulp Operations Limited  
Catalyst Pulp Sales Inc.  
Pacifica Poplars Ltd.  
Catalyst Pulp and Paper Sales Inc.  
Elk Falls Pulp and Paper Limited  
Catalyst Paper Energy Holdings Inc.  
0606890 B.C. Ltd.  
Catalyst Paper Recycling Inc.  
Catalyst Paper (Snowflake) Inc.  
Catalyst Paper Holdings Inc.  
Pacifica Papers U.S. Inc.  
Pacifica Poplars Inc.  
Pacifica Papers Sales Inc.  
Catalyst Paper (USA) Inc.  
The Apache Railway Company

### **Schedule “B”**

<b>Counsel Name</b>	<b>Name of Party</b>
Lance Williams	Powell River Energy Inc., Quadrant Investments Ltd. and TimberWest Forest Corp.
Peter Reardon	JPMorgan Chase Bank, N.A.
David Gruber Melaney Wagner Rob Chadwick	A Representative Group of 2014 Unsecured Noteholders and certain 2016 Noteholders
John Sandrelli Chris Ramsay	A Representative Group of 2016 Noteholders
William Skelly George Benchetrit (by telephone)	Wilmington Trust, National Association
Chris Simard	Ad Hoc Committee of 2014 Noteholders
Ari Kaplan	Catalyst Salaried Employees & Pensioner Committee
Dan Rogers	CEP Unions – Locals 1, 76 (Powell River), 592, 686 (Port Alberni), 1132 (Crofton), 630, 1123 (Campbell River)
Charles Gordon	PPWC Local 2
Sandra Wilkinson	Superintendent of Pensions
Heather Ferris Marc Wasserman	Board of Directors of Catalyst
Orestes Pasparakis (by telephone)	Wells Fargo Bank NA
Brent Johnston Andrea Glen	Catalyst TimberWest Retired Salaried Employees Association
Elizabeth Pillon (by telephone) Lisa Hiebert	Canexus Corp and Casco Inc.
Kendall Andersen	Tolko Industries Ltd. and BC Hydro
Tim Timberg	HMTQ in Right of Canada
David Hatter Elizabeth Rowbotham	HMTQ in Right of the Province of British Columbia
Sebastien Anderson	United Steelworkers International and USW Local 2688

## **Schedule “C”**

### **DEFINITIONS**

- (a) **“ABL Facility”** means the revolving asset based loan facility issued pursuant to an amended and restated credit agreement dated as of May 31, 2011, by JP Morgan Securities LLC and CIBC Asset-Based Lending, Inc.;
- (b) **“ABL Facility Claims”** means all outstanding obligations owed to lenders under the ABL Facility;
- (c) **“Allowed Claim”** means the amount, status and/or validity of the Claim of a Creditor finally determined in accordance with the Claims Procedure which shall be final and binding for voting and/or distribution purposes under the Plan or otherwise. Claims of Noteholders in respect of any Claim pertaining to principal or interest accrued under the Notes will be “finally determined” and become Allowed Claims in accordance with paragraphs 10 and 11 hereof. Any other Claim will be “finally determined” and become an Allowed Claim in accordance with the Claims Procedure if:
  - (i) the Creditor was sent a Claim Amount Notice by the Monitor and the Creditor does not file a Proof of Claim by the Claims Bar Date;
  - (ii) a Creditor files a Proof of Claim by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, and the Monitor has not sent a Notice of Revision or Disallowance by the deadline set out in paragraph 26 of this Claims Procedure Order;
  - (iii) the Monitor has sent the Creditor a Notice of Revision or Disallowance in accordance with the Claims Procedure and the Creditor has not sent a Notice of Dispute in response by the deadline set out in paragraph 28 of this Claims Procedure Order;

- (iv) the Creditor sent a Notice of Dispute by the deadline set out in paragraph 28 and the Petitioner Parties and Creditor have consensually resolved the disputed Claim;
  - (v) a Claims Officer has been appointed with respect to the Claim, the Claims Officer has issued a Claims Officer's Determination with respect to the Claim, and the time within which either party may file an appeal of such Claims Officer's Determination has expired and no appeal has been filed; or
  - (vi) the Court has made a determination with respect to the Claim and no appeal or application for leave to appeal therefrom has been taken or served on either party, or if any appeal(s) or application(s) for leave to appeal or further appeal have been taken therefrom or served on either party, any (and all) such appeal(s) or application(s) have been dismissed, determined or withdrawn;
- (d) **"Amended and Restated Initial Order"** means the Order of the Court dated January 31, 2012, as amended and restated on February 3, 2012 and as subsequently amended by further order of the Court, and as may be further amended, supplemented or varied by the Court;
- (e) **"Business Day"** means any day other than a Saturday, Sunday or a day on which banks in Vancouver, British Columbia, Toronto, Ontario, or New York, New York are authorized or obligated by applicable law to close or otherwise are generally closed;
- (f) **"Catalyst"** means Catalyst Paper Corporation;
- (g) **"CCAA"** means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (h) **"CCAA Charges"** means, collectively, the Administration Charge, the DIP Lenders' Charge, the Critical Suppliers' Charge, the D&O Charge,

the Financial Advisor Charge, the KERP Charge, and any other charge over the Debtors' assets created by other Order of the Court and included in "Charges" (as such terms are defined in the Amended and Restated Initial Order and as such charges may be amended, modified or varied by further Order of the Court);

- (i) **"CCAA Proceedings"** means the CCAA proceedings commenced by the Petitioners, being British Columbia Supreme Court Action No. S120712, on the Commencement Date pursuant to the Amended and Restated Initial Order;
- (j) **"Claim"** means (i) any Pre-Commencement Claim, (ii) any Restructuring Claim; or (iii) any Directors/Officers Claim; provided, however, that, in each case, a "Claim" shall not include an Unaffected Claim;
- (k) **"Claim Amount Notice"** means, except with respect to the First Lien Notes and the Unsecured Notes, a form of notice which the Monitor may include with any Claims Package setting out the Petitioner Parties' determination of such Creditor's Claim;
- (l) **"Claims Bar Date"** means April 18, 2012 at 5:00 p.m. (prevailing Pacific time), or such other date as may be ordered by the Court.
- (m) **"Claims Officer"** means the individual or individuals appointed by the Petitioner Parties pursuant to paragraph 30 hereof;
- (n) **"Claims Officer's Determination"** has the meaning given to it in paragraph 33 hereof;
- (o) **"Claims Package"** means the document package which includes a copy of (i) the Instruction Letter; (ii) a blank Proof of Claim; (iii) a Claim Amount Notice (if applicable); and (iv) such other materials as the Monitor, in consultation with the Petitioner Parties, considers necessary or appropriate;



- (p) “**Claims Procedure**” means the call for claims to be administered by the Monitor, in consultation with the Petitioner Parties, pursuant to the terms of this Claims Procedure Order;
- (q) “**Claims Procedure Order**” means this Order establishing a claims procedure;
- (r) “**Class A Notes**” means the 11% senior secured notes due December 15, 2016, in the principal amount of US\$280,434,000, issued by Catalyst pursuant to the Class A Notes Indenture;
- (s) “**Class A Notes Indenture**” means that certain indenture dated as of March 10, 2010, among Catalyst, the guarantors party thereto, and the First Lien Notes Indenture Trustee, as amended, modified or supplemented prior to the date hereof;
- (t) “**Class B Notes**” means the Class B 11% senior secured notes due December 15, 2016, in the principal amount of US\$110,000,000, issued by Catalyst pursuant to the Class B Notes Indenture;
- (u) “**Class B Notes Indenture**” means that certain indenture dated as of May 19, 2010, among Catalyst, the guarantors party thereto, and the First Lien Notes Indenture Trustee, as amended, modified or supplemented prior to the date hereof;
- (v) “**Commencement Date**” means January 31, 2012;
- (w) “**Convenience Claim**” means a General Unsecured Claim equal to or less than CAD \$10,000;
- (x) “**Court**” means the Supreme Court of British Columbia;
- (y) “**Creditor**” means any Person having a Claim and includes, without limitation, the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with paragraph 35 hereof, or a

trustee, liquidator, receiver, manager, or other Person acting on behalf of such Person;

- (z) **“Crown Priority Claim”** means any Claim imposed by statute and referred to in Section 3.9 of the Plan;
- (aa) **“DIP Agent”** means JPMorgan Chase Bank, N.A., in its capacity as administrative agent under the DIP Credit Agreement;
- (bb) **“DIP Credit Agreement”** means that certain agreement dated as of February 7, 2012, among the Petitioner Parties, the DIP Agent, and the DIP Lenders;
- (cc) **“DIP Lenders”** means the DIP Agent as lender and the other lenders from time to time party to the DIP Credit Agreement;
- (dd) **“Director”** means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director of any one or more of the Petitioner Parties;
- (ee) **“Directors/Officers Claim”** means any right or claim of any Person against one or more of the Directors and/or Officers that relates to a Pre-Commencement Claim or a Restructuring Claim, howsoever arising, for which the Directors and/or Officers are by statute or otherwise by law liable to pay in their capacity as Directors and/or Officers or in any other capacity;
- (ff) **“Dispute Package”** means, with respect to any Claim, a copy of the related Proof of Claim, Notice of Revision or Disallowance and Notice of Dispute;
- (gg) **“First Lien Noteholder Claims Notice”** has the meaning given to it in paragraph 11 hereof;

- (hh) **“First Lien Noteholders”** means all holders of First Lien Notes, including where applicable beneficial holders of First Lien Notes;
- (ii) **“First Lien Noteholders Meeting”** means the meeting of the First Lien Noteholders to be held on the Meeting Date for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting in accordance with the Meetings Order;
- (jj) **“First Lien Notes”** means, collectively, the Class A Notes and the Class B Notes;
- (kk) **“First Lien Notes Claims”** means all Claims for amounts due in respect of the First Lien Notes, including without limitation outstanding principal and the First Lien Notes Unpaid Interest (as defined in the Plan);
- (ll) **“First Lien Notes Claims Voting Amount”** has the meaning given to it in paragraph 11 hereof;
- (mm) **“First Lien Notes Claims Distribution Amount”** has the meaning given to it in paragraph 11 hereof;
- (nn) **“First Lien Notes Indentures”** means the Class A Notes Indenture and the Class B Notes Indenture;
- (oo) **“First Lien Notes Indenture Trustee”** means, collectively, Wilmington Trust, National Association, in its capacity as trustee under the First Lien Notes Indentures;
- (pp) **“General Unsecured Claims”** means all Claims against any of the Petitioner Parties, including Convenience Claims, but not including Unsecured Notes Claims, that have not otherwise been satisfied through arrangements with the Petitioner Parties in accordance with the Amended and Restated Initial Order;

- (qq) **“General Unsecured Creditors”** means holders of General Unsecured Claims;
- (rr) **“includes”** means includes, without limitation, and **“including”** means including, without limitation;
- (ss) **“Initial Supporting First Lien Noteholders”** means each First Lien Noteholder who has executed the Restructuring and Support Agreement as of March 11, 2012, in respect of its First Lien Notes;
- (tt) **“Initial Supporting Noteholders”** means the Initial Supporting First Lien Noteholders and the Initial Supporting Unsecured Noteholders;
- (uu) **“Initial Supporting Unsecured Noteholders”** means each Unsecured Noteholder who has executed the Restructuring and Support Agreement as of March 11, 2012, in respect of its Unsecured Notes;
- (vv) **“Instruction Letter”** means the letter regarding completion of a Proof of Claim, which letter shall be substantially in the form attached hereto as **Schedule “D”**;
- (ww) **“Intercompany Claim”** means any Claim of a Petitioner Party against another Petitioner Party or of any wholly owned, direct or indirect non-Petitioner Party subsidiary of a Petitioner Party against a Petitioner Party;
- (xx) **“Lien”** means any valid and enforceable mortgage, charge, pledge, assignment by way of security, lien, hypothec, security interest, deemed trust or other encumbrance granted or arising pursuant to a written agreement or statute or otherwise created by law;
- (yy) **“Majority Initial Supporting Noteholders”** means a majority of the Noteholders who executed the Restructuring and Support Agreement as of March 11, 2012, where each such Noteholder will have one vote and a majority of votes will govern;

- (zz) “**Meeting Date**” means April 23, 2012;
- (aaa) “**Meetings**” means, collectively, the Unsecured Creditors Meeting and the First Lien Noteholders Meeting;
- (bbb) “**Meetings Order**” means the Order of the Court dated March 22, 2012 setting the Meeting Date, approving the procedures for the Meetings, and authorizing the dissemination of the documents related thereto;
- (ccc) “**Monitor**” means PricewaterhouseCoopers Inc., in its capacity as Court-appointed Monitor pursuant to the Amended and Restated Initial Order;
- (ddd) “**Monitor’s Website**” means the Monitor’s website located at [www.pwc.com/car-catalystpaper](http://www.pwc.com/car-catalystpaper);
- (eee) “**Newspaper Notice**” means the notice of the Claims Procedure to be published in the newspapers listed in paragraph 14 of this Claims Procedure Order, calling for any and all Claims of creditors against the Petitioner Parties, in substantially the form attached hereto as **Schedule “H”**;
- (fff) “**Noteholders**” means, collectively, the First Lien Noteholders and the Unsecured Noteholders;
- (ggg) “**Notice of Disclaimer or Resiliation**” means a written notice in any form issued on or after the Commencement Date by the Petitioner Parties, and copied to the Monitor, advising a Person of the restructuring, disclaimer, resiliation, termination or breach of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of this Claims Procedure Order;
- (hhh) “**Notice of Dispute**” means the notice that may be delivered by a Creditor who has received a Notice of Revision or Disallowance disputing such

Notice of Revision or Disallowance, which notice shall be substantially in the form attached hereto as **Schedule “G”**;

- (iii) **“Notice of Revision or Disallowance”** means the notice that may be delivered by the Monitor to a Creditor advising that the Monitor has revised or disallowed in whole or in part such Creditor’s Claim as set out in its Proof of Claim, which notice shall be substantially the form attached hereto as **Schedule “F”**;
- (jjj) **“Officer”** means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer of any one or more of the Petitioner Parties;
- (kkk) **“Person”** means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status;
- (lll) **“Petitioner Parties”** means, collectively, the Petitioners and Catalyst Paper General Partnership;
- (mmm) **“Petitioners”** means, collectively, Catalyst and the other entities listed on Schedule “A” hereto;
- (nnn) **“Plan”** means the Plan of Compromise and Arrangement dated March 15, 2012 filed by the Petitioner Parties pursuant to the CCAA, as may be amended, varied or supplemented from time to time in accordance with the terms thereof;
- (ooo) **“Pre-Commencement Claim”** means any right or claim of any Person that may be asserted or made in whole or in part against the Debtors (or any of them), whether or not asserted or made, in connection with any

indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, in existence on, or which is based on, an event, fact, act or omission which occurred in whole or in part prior to the Commencement Date, at law or in equity, by reason of the commission of a tort (intentional or unintentional), any breach of contract or other agreement (oral or written), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any reason whatsoever against any of the Debtors or any their property or assets, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims not referred to above that are or would be claims provable in bankruptcy had the Debtors (or any one of them) become bankrupt on the Commencement Date, and for greater certainty, includes any Tax Claim; *provided, however,* that “Pre-Commencement Claim” shall not include an Unaffected Claim or any contingent liabilities that may be crystallized in the future under any applicable environmental laws of British Columbia arising from the Debtors’ operations and undertakings at Powell River, Port Alberni and Crofton, all situated in the Province of British Columbia;

- (ppp) “**Proof of Claim**” means the form to be completed and filed by a Creditor setting forth its proposed Claim, which shall be substantially in the form attached hereto as **Schedule “E”**;

- (qqq) **“Restructuring and Support Agreement”** means the Restructuring and Support Agreement, dated March 11, 2012, among Catalyst, certain of its Subsidiaries, and the Consenting Noteholders;
- (rrr) **“Restructuring Claim”** means any right or claim of any Person against the Petitioner Parties (or any one of them) in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Petitioner Parties (or any one of them) to such Person arising out of the restructuring, disclaimer, resiliation, termination, or breach on or after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of this Claims Procedure Order, and includes for greater certainty any right or claim of an employee of any of the Petitioner Parties arising from a termination of its employment after the Commencement Date; provided, however, that “Restructuring Claim” shall not include an Unaffected Claim;
- (sss) **“Restructuring Claims Bar Date”** means the later of (i) the Claims Bar Date; and (ii) 5:00 p.m. on the day that is ten (10) days after the date of the applicable Notice of Disclaimer or Resiliation; or such other date as may be ordered by the Court;
- (ttt) **“Steering Group”** means the steering group of the First Lien Noteholders;
- (uuu) **“Tax Claim”** means any Claim against the Petitioner Parties (or any of them) for any Taxes in respect of any taxation year or period ending on or prior to the Commencement Date, and in any case where a taxation year or period commences on or prior to the Commencement Date, for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the Commencement Date and up to and including the Commencement Date. For greater certainty, a Tax Claim shall include, without limitation, any and all Claims of any Taxing Authority in respect



of transfer pricing adjustments and any Canadian or non-resident Tax related thereto;

(vvv) “**Taxing Authorities**” means Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada and any political subdivision thereof, the Internal Revenue Service and any similar revenue or taxing authority of the federal or state governments of the United States of America, and any Canadian or foreign governmental authority, and “**Taxing Authority**” means any one of the Taxing Authorities;

(www) “**U.S. Court**” means the United States Bankruptcy Court for the District of Delaware;

(xxx) “**Unaffected Claim**” means, subject to further order of this Court,

- (i) any right or claim of any Person that may be asserted or made in whole or in part against the Petitioner Parties (or any of them) in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations first incurred on or after the Commencement Date (other than Restructuring Claims and Directors/Officers Claims) and any interest thereon, including any obligation of the Petitioner Parties toward creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Petitioner Parties on or after the Commencement Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds on or after the Commencement Date;
- (ii) any claim secured by any CCAA Charge;

- (iii) that portion of a Claim arising from a cause of action for which the Petitioner Parties are covered by insurance, but only to the extent of such coverage;
- (iv) any ABL Facility Claim;
- (v) any Claim by the DIP Lenders arising under the DIP Credit Agreement;
- (vi) any Intercompany Claim;
- (vii) any Claim referred to in sections 6(3), 6(5) and 6(6) of the CCAA;
- (viii) any Crown Priority Claim against a Petitioner Party imposed by statute and referred to in Section 3.9 of the Plan;
- (ix) any claims with respect to reasonable fees and disbursements of counsel of any Petitioner Party, the Monitor, a Claims Officer, any Assistant (as defined in paragraph 5 of the Amended and Restated Initial Order), or any financial advisor retained by any of the foregoing, as approved by the Court to the extent required;
- (x) any Claim of any employee of the Petitioner Parties (or any of them) employed by the Petitioner Parties (or any of them) as of the Commencement Date, but only in respect of a claim for wages, including vacation pay and banked time;
- (xi) any Claim secured by a Lien other than the First Lien Notes Claims; and
- (xii) any Claim existing on the Commencement Date that has been satisfied, cured or rectified on or before the date of the Sanction Order;

- (yyy) **“Unsecured Creditors”** means the Unsecured Noteholders and the General Unsecured Creditors;
- (zzz) **“Unsecured Creditors Meeting”** means the meeting of the Unsecured Creditors to be held on the Meeting Date for the purpose of considering and voting on the Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meeting;
- (aaaa) **“Unsecured Noteholder Claims Notice”** has the meaning given to it in paragraph 11 hereof;
- (bbbb) **“Unsecured Noteholders”** means all holders of Unsecured Notes, including where applicable beneficial holders of Unsecured Notes;
- (cccc) **“Unsecured Notes”** means the 7<sup>3</sup>/<sub>8</sub> % senior notes due March 1, 2014, in the principal amount of \$250,000,000 issued by Catalyst pursuant to the Unsecured Notes Indenture;
- (dddd) **“Unsecured Notes Claims”** means all Claims for amounts due in respect of the Unsecured Notes, including without limitation outstanding principal and the Unsecured Notes Unpaid Interest (as defined in the Plan);
- (eeee) **“Unsecured Notes Claims Voting Amount”** has the meaning given to it in paragraph 11 hereof;
- (ffff) **“Unsecured Notes Claims Distribution Amount”** has the meaning given to it in paragraph 11 hereof;
- (gggg) **“Unsecured Notes Indenture”** means that certain indenture, dated as of March 23, 2004, among Catalyst, the guarantors party thereto and the Unsecured Notes Indenture Trustee, as trustee, as amended, modified or supplemented prior to the date hereof; and
- (hhhh) **“Unsecured Notes Indenture Trustee”** means Wells Fargo Bank, National Association.



## Schedule “D”

### FORM OF INSTRUCTION LETTER

#### INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE FOR CREDITORS OF CATALYST PAPER CORPORATION AND THE OTHER ENTITIES LISTED BELOW (hereinafter referred to collectively as the “Petitioner Parties”)

Catalyst Paper General Partnership  
Catalyst Pulp Sales Inc.  
Catalyst Pulp and Paper Sales Inc.  
Catalyst Paper Energy Holdings Inc.  
Catalyst Paper Recycling Inc.  
Catalyst Paper Holdings Inc.  
Pacifica Poplars Inc.  
Catalyst Paper (USA) Inc.

Catalyst Pulp Operations Limited  
Pacifica Poplars Ltd.  
Elk Falls Pulp and Paper Limited  
0606890 B.C. Ltd.  
Catalyst Paper (Snowflake) Inc.  
Pacifica Papers U.S. Inc.  
Pacifica Papers Sales Inc.  
The Apache Railway Company

#### 1. Claims Procedure

By order of the Supreme Court of British Columbia (the “**Court**”) dated March 22, 2012 (as may be amended, restated or supplement from time to time, the “**Claims Procedure Order**”), in the proceeding commenced by the Petitioner Parties under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), the Petitioner Parties have been authorized to conduct a claims procedure (the “**Claims Procedure**”). A copy of the Claims Procedure Order, with all schedules, may be found on the Monitor’s Website at: [www.pwc.com/car-catalystpaper](http://www.pwc.com/car-catalystpaper). Capitalized terms used in this letter, which are not defined in this letter shall have the meaning ascribed to them in the Claims Procedure Order.

This letter provides instructions for completing the Proof of Claim. A blank Proof of Claim form is included with this letter.

The Claims Procedure is intended for any Person asserting a Claim (other than an Unaffected Claim) of any kind or nature whatsoever against any of the Petitioner Parties and/or any of their Directors and/or Officers arising before the Commencement Date, and/or any Restructuring Claim arising on or after the Commencement Date as a result of a restructuring, disclaimer, resiliation, termination or breach by any of the Petitioner Parties on or after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of the Claims Procedure Order.

Noteholders are **not** required to submit a Proof of Claim in respect of any Claim pertaining to principal or accrued interest owing under the Notes. Any Noteholders who wish to assert a Claim other than for principal or accrued interest owing under the Notes must file a Proof of Claim (as referenced in paragraph 2 below) to avoid the barring and extinguishment of any

Claim which you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers.

Current employees of the Petitioner Parties are **not** required to submit a Proof of Claim in respect of any Claim pertaining to wages, including vacation pay and banked time due to them.

If a notice setting out the amount which the Petitioner Parties have determined to be the amount of your Claim (a “**Claim Amount Notice**”) is enclosed with this letter, and you do **not** dispute the nature or amount of such Claim as set out in the Claim Amount Notice, you are **not** required to file a Proof of Claim. If a Claim Amount Notice is enclosed and you dispute the nature or amount of your Claim as set out in the Claim Amount Notice, you must file a Proof of Claim (as referenced in paragraph 2 below) to avoid the barring and extinguishment of that portion of your Claim that exceeds the amount set out in the Claim Amount Notice. Any Creditor who receives a Claim Amount Notice and who does not file a Proof of Claim by the Claims Bar Date in accordance with paragraph 2 below is deemed to have accepted the nature and amount of such Claim, as set out in the applicable Claim Amount Notice.

If a Claim Amount Notice is **not** enclosed with this letter and you wish to file a Claim, you must file a Proof of Claim (as referenced in paragraph 2 below) to avoid the barring and extinguishment of any Claim which you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers.

If you have any questions regarding the Claims Procedure, please contact the Court-appointed Monitor at the address provided below.

All enquiries with respect to the Claims Procedure should be addressed to:

PricewaterhouseCoopers Inc.  
Court-appointed Monitor of Catalyst Paper Corporation et al.  
250 Howe Street, Suite 700  
Vancouver, British Columbia V6C 3S7  
Attention: Patricia Marshall  
Telephone: 604 806 7070  
Fax: 604 806 7806  
Email: catalystclaims@ca.pwc.com

## 2. **For Creditors Submitting a Proof of Claim**

If you have not received a Claim Amount Notice, or you have received a Claim Amount Notice and you dispute the nature or amount of the Claim as set out in such Claim Amount Notice, you are required to file a Proof of Claim, in the form enclosed herewith, and ensure **that it is received by the Monitor by 5:00 p.m. (Prevailing Pacific time) on April 18, 2012** (the “**Claims Bar Date**”), to avoid the barring and extinguishment of any Claim (other than a Restructuring Claim) you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers in excess of any amount set out in the Claim Amount Notice enclosed herewith, if any.

To avoid the barring and extinguishment of any Restructuring Claim you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers, you are required to file a Proof of Claim, in the form enclosed herewith, and ensure **that it is received by the Monitor by the later of: (a) the Claims Bar Date, and (b) 5:00 p.m. (prevailing Pacific time) on the day which is ten (10) days after the date of the Notice of Disclaimer or Resiliation** sent to you (the “Restructuring Claims Bar Date”).

For the avoidance of doubt, any Claim or Restructuring Claim you may have against any of the Petitioner Parties must be filed in accordance with the procedures set forth herein. Proofs of Claim filed solely with the United States Bankruptcy Court, District of Delaware, are invalid, and failure to file an additional Proof of Claim with the Monitor pursuant to these procedures will lead to the consequences detailed below.

Additional Proof of Claim forms can be found on the Monitor’s website at [www.pwc.com/car-catalystpaper](http://www.pwc.com/car-catalystpaper) or obtained by contacting the Monitor at the address indicated above and providing particulars as to your name, address, facsimile number and e-mail address. Once the Monitor has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

If you are submitting your Proof of Claim electronically, please submit it in one PDF file and ensure the name of the file is **[legal name of creditor]poc.pdf**.

UNLESS YOU ARE A HOLDER OF A CLAIM (1) ONLY FOR PRINCIPAL AND ACCRUED INTEREST OWING UNDER THE NOTES, OR (2) FOR WHICH YOU HAVE RECEIVED A CLAIM AMOUNT NOTICE THAT YOU DO NOT DISPUTE; **IF A PROOF OF CLAIM IN RESPECT OF YOUR CLAIM IS NOT RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE:**

(A) YOUR CLAIM SHALL BE FOREVER **BARRED** AND **EXTINGUISHED** AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS;

(B) YOU SHALL NOT BE PERMITTED TO VOTE ON THE PLAN OR ENTITLED TO ANY FURTHER NOTICE OR DISTRIBUTION UNDER THE PLAN, IF ANY;

(C) YOU SHALL NOT BE ENTITLED TO ANY PROCEEDS OF SALE OF ANY OF THE PETITIONER PARTIES’ ASSETS; AND

(D) YOU SHALL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THE CCAA PROCEEDINGS OF THE PETITIONER PARTIES.

## Schedule "E"

### FORM OF PROOF OF CLAIM

**PROOF OF CLAIM  
AGAINST CATALYST PAPER CORPORATION AND THE OTHER ENTITIES  
LISTED BELOW  
(hereinafter referred to collectively as the "Petitioner Parties")**

Catalyst Paper General Partnership  
Catalyst Pulp Sales Inc.  
Catalyst Pulp and Paper Sales Inc.  
Catalyst Paper Energy Holdings Inc.  
Catalyst Paper Recycling Inc.  
Catalyst Paper Holdings Inc.  
Pacifica Poplars Inc.  
Catalyst Paper (USA) Inc.

Catalyst Pulp Operations Limited  
Pacifica Poplars Ltd.  
Elk Falls Pulp and Paper Limited  
0606890 B.C. Ltd.  
Catalyst Paper (Snowflake) Inc.  
Pacifica Papers U.S. Inc.  
Pacifica Papers Sales Inc.  
The Apache Railway Company

**Please read the enclosed Instruction Letter carefully prior to completing this Proof of Claim. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Claims Procedure Order dated March 22, 2012, as may be amended, restated or supplemented from time to time.**

**1. Particulars of Creditor**

(a) Please complete the following (Full legal name should be the name of the original Creditor, regardless of whether an assignment of a Claim, or a portion thereof, has occurred prior to or following the Commencement Date.) and Full Mailing Address of the Creditor (the original Creditor, not the Assignee):

Full Legal Name:	
Full Mailing Address:	
Telephone Number:	
Facsimile Number:	
E-mail address:	
Attention (Contact Person):	

(b) Has the Claim been sold, transferred or assigned by the Creditor to another party (an "Assignee")?

Yes: ☐



No: ☐

2. **Particulars of Assignee(s) (If any):**

- (a) Please complete the following if all or a portion of the Claim has been assigned, insert full legal name of assignee(s) of the Claim. If there is more than one assignee, please attach a separate sheet with the required information.):

Full Legal Name of Assignee(s):	
Full Mailing Address of Assignee(s):	
Telephone Number of Assignee(s):	
Facsimile Number of Assignee(s):	
E-mail address of Assignee(s):	
Attention (Contact Person):	

**Proof of Claim:**

I, \_\_\_\_\_ (*name of individual Creditor or Representative of corporate Creditor*), of \_\_\_\_\_ (*City, Province or State*) do hereby certify:

that I ☐ am a Creditor; OR

☐ am \_\_\_\_\_ (*state position or title*) of \_\_\_\_\_ (*name of corporate Creditor*), which is a Creditor;

that I have knowledge of all the circumstances connected with the Claim referred to below;

that \_\_\_\_\_ (*name of applicable Petitioner Parties and/or Directors and/or Officers*) was and still is indebted to the Creditor as follows;

CLAIM (other than Restructuring Claim):

\$ \_\_\_\_\_ (*insert \$ value of Claim*)

RESTRUCTURING CLAIM:

\$ \_\_\_\_\_ (insert \$ value of Claim arising after the Commencement Date resulting from the restructuring, disclaimer, resiliation, termination or breach after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral);

that the Creditor's Claim and the Creditor's invoices, statements and/or supporting documents attached are denominated in:

[        ] Canadian Dollars  
 [        ] U.S. Dollars  
 [        ] Other: \_\_\_\_\_ (stipulate other currency referenced)

A. TOTAL CLAIM(S) \$ \_\_\_\_\_

(Note: Claims in a currency other than U.S. Dollars will be converted to U.S. Dollars at the noon spot rate of the Bank of Canada as at the Commencement Date, January 31, 2012. The reported US/CDN rate was USD\$1.0000:CAD\$10052.)

**Nature of Claim:**

*(Check and complete appropriate category)*

☐ A. UNSECURED CLAIM OF \$ \_\_\_\_\_. That in respect of this debt, no assets of any of the Petitioner Parties are pledged as security.

☐ B. SECURED CLAIM OF \$ \_\_\_\_\_. That in respect of this debt, assets of \_\_\_\_\_ (insert name of applicable Petitioner Parties) valued at \$ \_\_\_\_\_ are pledged to me as security, particulars of which are as follows:

*(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)*

**Particulars of Claims:**

Other than as already set out herein, the particulars of the undersigned's total Claim and/or Restructuring Claim are attached.

*(Provide all particulars of the claims and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the claims, name of any guarantor which has guaranteed the claims, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Petitioner Parties to the Creditor and estimated value of such security. Where a claim is*

*advanced against any Directors or Officers, please provide either a reference to a statutory authority for your claim or enclose a draft Notice of Civil Claim.)*

**Filing of Claims:**

This Proof of Claim **must be received by the Monitor by no later than 5:00 p.m. (prevailing Pacific time) on April 18, 2012** (the "Claims Bar Date") unless your claim is a Restructuring Claim.

Proofs of Claim for Restructuring Claims arising after the Commencement Date resulting from a restructuring, disclaimer, resiliation, termination, or breach after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, **must be received by the Monitor by the later of: (a) the Claims Bar Date, and (b) by 5:00 p.m. (prevailing Pacific time) on the day which is 10 days after the date of the applicable Notice of Disclaimer or Resiliation** (the "Restructuring Claims Bar Date").

**FAILURE TO FILE YOUR PROOF OF CLAIM AS DIRECTED BY THE CLAIMS BAR DATE OR RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, WILL RESULT IN YOUR CLAIM BEING FOREVER BARRED AND EXTINGUISHED, AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS.**

This Proof of Claim must be delivered by prepaid registered mail, personal delivery, e-mail, courier or facsimile transmission at the following addresses:

PricewaterhouseCoopers Inc.,  
Court-appointed Monitor of Catalyst Paper Corporation et al.  
250 Howe Street, Suite 700  
Vancouver, British Columbia V6C 3S7  
Attention: Patricia Marshall  
Telephone: 604.806.7070  
Fax: 604.806.7806  
Email: catalystclaims@ca.pwc.com

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Witness:

Per: \_\_\_\_\_

Print name of Creditor: \_\_\_\_\_

\_\_\_\_\_  
*If Creditor is other than an individual, print  
name and title of authorized signatory*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **Schedule “F”**

### **FORM OF NOTICE OF REVISION OR DISALLOWANCE**

**NOTICE OF REVISION OR DISALLOWANCE  
OF CATALYST PAPER CORPORATION AND THE OTHER ENTITIES  
LISTED BELOW  
(hereinafter referred to collectively as the “Petitioner Parties”)**

Catalyst Paper General Partnership  
Catalyst Pulp Sales Inc.  
Catalyst Pulp and Paper Sales Inc.  
Catalyst Paper Energy Holdings Inc.  
Catalyst Paper Recycling Inc.  
Catalyst Paper Holdings Inc.  
Pacifica Poplars Inc.  
Catalyst Paper (USA) Inc.

Catalyst Pulp Operations Limited  
Pacifica Poplars Ltd.  
Elk Falls Pulp and Paper Limited  
0606890 B.C. Ltd.  
Catalyst Paper (Snowflake) Inc.  
Pacifica Papers U.S. Inc.  
Pacifica Papers Sales Inc.  
The Apache Railway Company

Full Legal Name of Creditor: \_\_\_\_\_

Reference #: \_\_\_\_\_

Pursuant to the order of the Supreme Court of British Columbia dated March 22, 2012 (as may be amended, restated or supplemented from time to time), PricewaterhouseCoopers Inc., in its capacity as Monitor of the Petitioner Parties, hereby gives you notice that the Petitioner Parties, in consultation with the Monitor, have reviewed your Proof of Claim and have revised or disallowed your Claim as follows:

	<b>Proof of Claim as Submitted (\$CDN)</b>	<b>Revised Claim as Accepted (\$CDN)</b>	<b>Secured (\$CDN)</b>	<b>Unsecured (\$CDN)</b>
Total Claim				

*Reason for the Revision or Disallowance:*

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If you do not agree with this Notice of Revision or Disallowance please take notice of the following:

**If you intend to dispute a Notice of Revision or Disallowance, you must deliver a Notice of Dispute, in the form attached hereto, by prepaid registered mail, personal delivery, e-mail (in PDF format), courier or facsimile transmission to the address indicated herein so that such Notice of Dispute is received by the Monitor by 5:00 p.m. (prevailing Pacific time) on ●, 2012 [being ten (10) days after the date of this Notice of Revision or Disallowance], or such other date as may be agreed to by the Monitor. The form of Notice of Dispute is attached to this Notice.**

*Where a Notice of Dispute is being submitted electronically, please submit one pdf file with the file named as follows: [insert legal name of creditor]poc.pdf.*

If you do not deliver a Notice of Dispute by the time specified, the nature and amount of your Claim, if any, shall be as set out in this Notice of Revision or Disallowance for voting and/or distribution purposes.

Address for Service of Notices of Dispute:

PricewaterhouseCoopers Inc.,  
 Court-appointed Monitor of Catalyst Paper Corporation et al.  
 250 Howe Street, Suite 700  
 Vancouver, British Columbia V6C 3S7  
 Attention: Patricia Marshall  
 Telephone: 604.806.7070  
 Fax: 604.806.7806  
 Email: catalystclaims@ca.pwc.com

**IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD,  
 THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING  
 UPON YOU.**

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

**PRICEWATERHOUSECOOPERS INC.**  
 In its capacity as the Court-appointed Monitor  
 of Catalyst Paper Corporation et al.

Per: \_\_\_\_\_

[NAME]

## Schedule "G"

### FORM OF NOTICE OF DISPUTE

**NOTICE OF DISPUTE  
OF CATALYST PAPER CORPORATION AND THE OTHER ENTITIES  
LISTED BELOW  
(hereinafter referred to collectively as the "Petitioner Parties")**

Catalyst Paper General Partnership  
Catalyst Pulp Sales Inc.  
Catalyst Pulp and Paper Sales Inc.  
Catalyst Paper Energy Holdings Inc.  
Catalyst Paper Recycling Inc.  
Catalyst Paper Holdings Inc.  
Pacifica Poplars Inc.  
Catalyst Paper (USA) Inc.

Catalyst Pulp Operations Limited  
Pacifica Poplars Ltd.  
Elk Falls Pulp and Paper Limited  
0606890 B.C. Ltd.  
Catalyst Paper (Snowflake) Inc.  
Pacifica Papers U.S. Inc.  
Pacifica Papers Sales Inc.  
The Apache Railway Company

Pursuant to the order of the Supreme Court of British Columbia dated March 22, 2012 (as may be amended, restated or supplemented from time to time), I/we hereby give you notice of my/our intention to dispute the Notice of Revision or Disallowance bearing Reference Number \_\_\_\_\_ and dated \_\_\_\_\_ issued by PricewaterhouseCoopers Inc., in its capacity as Monitor of the Petitioner Parties, in respect of my/our Claim.

*Full Legal Name of Creditor:* \_\_\_\_\_

	Reviewed Claim as Accepted (\$CDN)	Reviewed Claim as Disputed (\$CDN)	Secured (\$CDN)	Unsecured (\$CDN)
Total Claim				

*Reasons for Dispute* (attach additional sheet and copies of all supporting documentation if necessary):

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Signature of Individual: \_\_\_\_\_

Date: \_\_\_\_\_

(Please print name): \_\_\_\_\_

Telephone Number: (\_\_\_\_) \_\_\_\_\_

Facsimile Number: (\_\_\_\_) \_\_\_\_\_

Email Address: \_\_\_\_\_

Full Mailing Address:

\_\_\_\_\_  
\_\_\_\_\_

**This form and supporting documentation is to be returned by prepaid registered mail, personal delivery, e-mail (in pdf format), courier or facsimile transmission to the address indicated herein and is to be received by the Monitor by 5:00 p.m. (prevailing Pacific time) on ●, 2012 [being seven (7) days after the date of the Notice of Revision or Disallowance], or such other date as may be agreed to by the Monitor.**

*Where this Notice of Dispute is being submitted electronically, please submit one pdf file with the file named as follows: [insert legal name of creditor]poc.pdf.*

Address for Service of Notices of Dispute:

PricewaterhouseCoopers Inc.,  
Court-appointed Monitor of Catalyst Paper Corporation et al.  
250 Howe Street, Suite 700  
Vancouver, British Columbia V6C 3S7  
Attention: Patricia Marshall  
Telephone: 604.806.7070  
Fax: 604.806.7806  
Email: catalystclaims@ca.pwc.com

## Schedule "H"

### FORM OF NEWSPAPER NOTICE

#### NOTICE TO CREDITORS OF CATALYST PAPER CORPORATION AND THE OTHER ENTITIES LISTED BELOW (hereinafter referred to collectively as the "Petitioner Parties")

Catalyst Paper General Partnership  
Catalyst Pulp Sales Inc.  
Catalyst Pulp and Paper Sales Inc.  
Catalyst Paper Energy Holdings Inc.  
Catalyst Paper Recycling Inc.  
Catalyst Paper Holdings Inc.  
Pacifica Poplars Inc.  
Catalyst Paper (USA) Inc.

Catalyst Pulp Operations Limited  
Pacifica Poplars Ltd.  
Elk Falls Pulp and Paper Limited  
0606890 B.C. Ltd.  
Catalyst Paper (Snowflake) Inc.  
Pacifica Papers U.S. Inc.  
Pacifica Papers Sales Inc.  
The Apache Railway Company

#### RE: NOTICE OF CLAIMS PROCEDURE FOR THE PETITIONER PARTIES PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT* ("CCAA")

This notice is being published pursuant to an order of the Supreme Court of British Columbia dated March 22, 2012 (the "**Claims Procedure Order**") which approved a claims procedure for the determination of certain claims against the Petitioner Parties and/or their Directors and/or Officers. The claims procedure only applies to the Claims of Creditors described in the Claims Procedure Order. A copy of the Claims Procedure Order and other public information concerning the CCAA proceedings can be obtained on the website of PricewaterhouseCoopers Inc., the Court-Appointed Monitor of the Petitioner Parties (the "**Monitor**") at [www.pwc.com/car-catalystpaper](http://www.pwc.com/car-catalystpaper). Any person who may have a claim against any of the Petitioner Parties and/or any of their Directors and/or Officers should carefully review and comply with the Claims Procedure Order.

Any person having a Claim against any of the Petitioner Parties and/or any of their Directors and/or Officers arising or relating to the period prior to January 31, 2012 (the "**Commencement Date**"), which would have been a claim provable in bankruptcy had the Petitioner Parties become bankrupt on the Commencement Date and who does not receive a Claim Amount Notice with their Claims Package, or who receives a Claim Amount Notice with their Claims Package but disputes the amount or nature of their Claim as listed in their Claim Amount Notice, must send a Proof of Claim to Monitor, **to be received by the Monitor by no later than 5:00 p.m. (prevailing Pacific time) on April 18, 2012** (the "**Claims Bar Date**").

Proofs of Claim for claims arising as a result of a restructuring, disclaimer, resiliation, termination, or breach by any of the Petitioner Parties on or after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, **must be received by the Monitor by no later than (a) the Claims Bar Date, and (b) 5:00 p.m. (prevailing Pacific time) on**

**the day which is ten (10) days after the date of the notice of disclaimer or resiliation sent by the Monitor to such creditor.**

For the avoidance of doubt, any claim a creditor may have against any of the Petitioner Parties must be filed in accordance with the procedures set forth in the Claims Procedure Order. Proofs of Claim filed solely with the United States Bankruptcy Court, District of Delaware, are invalid.

Creditors requiring more information or who have not received a Proof of Claim form or Claims Package should contact the Monitor by telephone at (604) 806-7070, fax at (604) 806-7806, or email at [catalystclaims@ca.pwc.com](mailto:catalystclaims@ca.pwc.com) or visit the Monitor's website at: [www.pwc.com/car-catalystpaper](http://www.pwc.com/car-catalystpaper).

**UNLESS EXPRESSLY PROVIDED IN THE CLAIMS PROCEDURE ORDER, HOLDERS OF CLAIMS THAT DO NOT FILE PROOFS OF CLAIM WITH THE MONITOR BY THE APPLICABLE DEADLINE SPECIFIED ABOVE SHALL NOT BE ENTITLED TO ANY FURTHER NOTICE OR DISTRIBUTION UNDER A PLAN, IF ANY, OR OF ANY PROCEEDS OF SALE OF ANY OF THE PETITIONER PARTIES' ASSETS, OR TO PARTICIPATE AS A CREDITOR IN THE CCAA PROCEEDINGS OF THE PETITIONER PARTIES, AND SHALL BE PROHIBITED FROM MAKING OR ENFORCING ANY CLAIM AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS. ADDITIONALLY, ANY CLAIMS SUCH CREDITOR MAY HAVE AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS SHALL BE FOREVER BARRED AND EXTINGUISHED.**

No.

Vancouver Registry

IN THE SUPREME COURT OF BRITISH  
COLUMBIA

IN THE MATTER OF THE COMPANIES'  
*CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36

AND IN THE MATTER OF THE CANADA  
BUSINESS CORPORATIONS ACT, R.S.C.  
1985, c. C-44

AND IN THE MATTER OF CATALYST PAPER  
CORPORATION AND THOSE CORPORATIONS  
DESCRIBED IN THE ATTACHED SCHEDULE  
"A"

PETITIONERS

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**CLAIMS PROCEDURE ORDER**

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Bill Kaplan, Q.C. / Peter Rubin  
Blake Cassels & Graydon LLP  
Barristers & Solicitors  
595 Burrard Street, PO Box 49314  
Suite 2600, Three Bentall Centre  
Vancouver, B.C. V7X 1L3  
Phone: 604.631.3300  
Agent: Dye & Durham