

EXHIBIT C

Fraser Papers Inc.
Defined Benefit Pension Plans

Plan Name	Employee group	Active Plan Members	Non-Active Plan Members *	Total Plan Members **
Pension Plan for New Brunswick Salaried Employees of Fraser Paper Inc.	Salaried employees in New Brunswick	181	361	542 (12/31/07)
Pension Plan for New Brunswick Hourly Paid Employees of Fraser Papers Inc.	Hourly employees in New Brunswick	461	693	1,154 (12/31/07)
Régime de retraite des salaires de Papiers Fraser Inc. Pates Thurso	Salaried employees in Quebec	63	212	275 (12/31/06)
Régime de retraite des syndiques de Papiers Fraser Inc. Pates Thurso	Hourly employees in Quebec	300	348	648 (12/31/06)
Pension Plan for Eligible Employees of Fraser Papers Limited	U.S. hourly and salaried employees	724	1,632	2,356 (01/01/08)

* Non-Active includes retirees and deferred vested Plan Members

** The numbers are as at the date of the latest actuarial valuation for that Plan, as specified.

EXHIBIT D

August 13, 2009

File No. 229194

Dear Salaried Employee or Retiree of Fraser Papers:

As you know, on June 18, 2009, Fraser Papers Inc. (the "**Company**"), together with its subsidiaries initiated a court-supervised restructuring under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and pursuant to Chapter 15 of the U.S. Bankruptcy Code (collectively, the "**Proceeding**").

The Company believes that the interests of its salaried employees and retirees could best be served by having representative legal counsel retained to act on behalf of this group, in order to ensure efficient and meaningful participation for all those affected by the Proceeding. We are advised by the Company that it will support a court order appointing legal counsel to represent the interests of all of the salaried employees and retirees.

We, the lawyers from Davies Ward Phillips & Vineberg LLP ("**Davies**"), have been retained by certain individuals who have formed the Fraser Papers' Committee for Salaried Employees and Retirees (the "**CSER**"). The CSER currently includes representatives from the following groups: the salaried employees and retirees from the Edmundston, Thurso, Plaster Rock and Juniper operations, and the salaried employees and retirees (who were formerly salaried employees) of the Madawaska and Gorham operations. The current members of CSER are: Don Corey, Paul H. Gendreau, Francine Clément, Pierre Paul Séguin, Greg Cyr and Richard Marston.

The CSER and groups they represent have retained Davies for legal advice and representation in relation to the Proceeding.

If a court order appointing Davies is granted, our firm's legal fees and disbursements will be paid by the Company, not by you. **Notwithstanding that the Company will pay our law firm's legal fees and disbursements, the Company will have no role or involvement in respect of our firm's representation of the group. Davies will only take instructions from the CSER and look after your interests.**

The Davies' team consists of lawyers who have expertise in insolvency, litigation, employment, and pension and benefits law, and have experience in many similar cases involving proceedings in Canada and the U.S. To the extent that issues requiring specialized knowledge of U.S. law arise, Davies will obtain additional U.S. legal advice on

such matters. The team of lawyers are Jay Swartz, Robin Schwill, Matthew Gottlieb and Natasha vandenHoven.

We will attend at court on September 8, 2009 seeking an order appointing Davies as representative counsel for all salaried employees and retirees and for the payment of our legal fees and disbursements by the Company. The Court will provide for representation for all members of the proposed group who wish to be included. Those salaried employees or retirees who do not wish representation will be able to opt out but the Company will not pay for individual counsel for those who choose this route. In making its decision as to the most appropriate counsel to serve the interests of the salaried employees and retirees, we expect that the Court will consider the preference of the salaried employees and retirees.

If you support having Davies appointed by the Court to represent you, please complete the retainer form attached to this letter as soon as possible and mail, e-mail or fax it to:

CSER
c/o Davies Ward Phillips & Vineberg
44th Floor
1 First Canadian Place
Toronto ON M5X 1B1
Canada

Fax: 416.863.5520
E-mail: FPemployees@dwpv.com

If you wish to know more about us please visit our firm website at www.dwpv.com or e-mail us at FPemployees@dwpv.com.

For your information we have established a website to report to you on the status of the Proceeding and how it affects you. The website address is www.FPemployees.dwpv.com. This website also contains a link to the website established by the court-appointed Monitor, PricewaterhouseCoopers Inc., which contains detailed information relating to the Proceeding: www.pwc.com/car-fraserpapers. Should you have any further questions, we are in the process of establishing a toll free hotline, which will be available on our website soon.

Yours very truly,

DAVIES WARD PHILLIPS & VINEBERG LLP

By: _____

Jay Swartz

RETAINER

I am a salaried employee or retiree of Fraser Papers Inc. (or one of its predecessors), FPS Canada Inc., Fraser Papers Holdings Inc., Fraser Timber Ltd, Fraser Papers Limited or Fraser N.H. LLC ("Fraser Papers").

I understand that the Fraser Papers' Committee for Salaried Employees and Retirees (the "CSER") is a committee that has been formed to represent the groups of salaried employees and retirees of Fraser Papers. I understand that the CSER has retained the law firm of Davies Ward Phillips & Vineberg LLP ("Davies") on behalf of itself and the members of the groups that it represents, to provide advice and representation in connection with the insolvency proceedings presently brought by Fraser Papers under the *Companies' Creditors Arrangement Act* (Canada) and the U.S. Bankruptcy Code (the "Proceeding"). As a member of one of the affected groups, I wish to retain Davies to represent my interests (the "Retainer"). This retainer is subject to Davies being appointed by the Court as representative counsel. Should the Court not appoint Davies, this retainer will terminate.

Consent, Authorization and Direction: I consent to, authorize and direct the CSER and Davies, as well as any agents retained by them on my behalf, including actuaries, advisors and third party service providers, to collect, use and disclose all documents and information available that are relevant to the Retainer containing my personal information. I acknowledge that I have been advised by Davies that my personal information will be kept in confidence and the information will be used only for the purposes of representing me in respect of the Proceeding. I acknowledge that Davies has not been provided my personal information to date.

For more information regarding Davies' privacy policy, please visit www.FPemployees.dwpv.com.

Date: _____

Signature: _____

Name: _____

E-mail: _____

[Please Print]

Address: _____

Phone: _____

Fax #: _____

Other Contact #: _____

Please check the applicable box:

- ☐ I am a salaried employee at Thurso.
- ☐ I am a salaried employee at Edmundston.
- ☐ I am a salaried employee at Plaster Rock.
- ☐ I am a salaried employee at Juniper.
- ☐ I am a salaried employee at Madawaska.
- ☐ I am a salaried employee at Ashland.
- ☐ I am a salaried employee at Masardis.
- ☐ I am a salaried employee at Gorham.
- ☐ I am a retiree who is receiving a pension from: _____

Name of pension plan

EXHIBIT E

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August 16, 2009

Dear Salaried Retiree of Fraser Papers,

I am writing to you as a salaried retiree and on behalf of the Steering Committee of the Fraser Papers' Salaried Retirees Committee. The Committee is comprised of Murray Dunnigan, Tim Kenney, Armand Renault, Gary Sweet and myself, Paul Des Rosiers. This letter is to update you on our efforts to retain legal counsel to represent salaried retirees and our recommendation that you join us, if you have not already done so, in retaining the law firms of Nelligan O'Brien Payne and Shibley Righton.

As you know, on June 18, 2009, Fraser Papers Inc. (the "Company") filed for protection under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA"). As a consequence, I and four other retirees in late June, 2009, formed the Steering Committee of the Fraser Papers' Salaried Retirees Committee ("FPSRC") to take action and ensure that retirees were represented in the CCAA process. We immediately started to investigate what could be done and our inquiries led us to the firms of Nelligan O'Brien Payne (NOP) and Shibley Righton (NOP/SR). As a result, it became very important that we obtain representation in the CCAA process to allow our voices to be heard and attempt to minimize any negative impact on retirees and spouses.

After meeting with NOP, we selected them as legal counsel. We are confident that NOP will provide us with the independent representation we need and that they have the necessary pension and benefits law expertise. In addition, NOP/SR have a long-term relationship and SR is in Toronto, where the proceedings are taking place and have extensive insolvency law experience. NOP and SR are also currently representing employees from Nortel, who face similar pension deficiency concerns. Moreover, both firms have lawyers licensed in Quebec who practice in French and are therefore able to communicate to retirees in their language of choice. In addition, the firms will also be able to retain U.S. based counsel if required.

On July 23, 2009, lawyers from NOP and the Steering Committee of the Fraser Papers Salaried Retirees (FPSRC) held an information session for former Salaried (non-union) retirees of Fraser Papers Inc. in Thurso QC, regarding the recent filing by Fraser Papers for protection under CCAA. Since that meeting over a 125 salaried retirees have signed retainers with NOP and the numbers continue to grow.

On August 7, 2009, on our instructions, NOP/SR filed a motion seeking a representation order on behalf of salaried Fraser retirees in New Brunswick and in Quebec. This motion seeks the confirmation of NOP/SR as legal representatives of this group, and further requests the court to oblige the Company to pay for all related legal fees. NOP/SR have also requested that the Court grant an extension to the September 30, 2009 deadline for retirees to file claims. The Court hearing for this motion is set for September 8, 2009.

You may have recently received a letter from the law firm of Davies Ward Phillips & Vineberg LLP ("Davies") seeking to have you retain them as counsel. At about the time NOP/SR's motion was being filed, the Company proposed the law firm of Davies that they retained, represent all Fraser retirees and salaried employees. Until our initiative with the NOP, the Company showed no indication they would provide and pay for such legal counsel.

It is our recommendation that you join us in retaining the counsel we have selected for the following reasons. First, the Steering Committee feels very uncomfortable with the extremely unusual course of action where the Company chooses our legal representation. The Committee and myself believe the interests of

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salaried retirees would be better represented by a legal firm of our own choosing rather than a firm that is being imposed by the Company. Second, we feel that it is not appropriate for both the salaried retirees and salaried employees to be represented by the same law firm, as Davies and the Company are proposing. We are concerned that retirees and employees have very different interests and that our interests as retirees can only be adequately represented by having a separate independent voice before the Court. Retirees are interested in protecting their pensions and benefits, while employees will be more interested in preserving their jobs.

We expect that Davies and the Company will contest our choice of legal representatives for the salaried retirees' group during the scheduled September 8, 2009 Court hearing. In preparation for this challenge, we would like to demonstrate that an even larger number of salaried retirees support our motion for the separate independent representation of retirees. It is important therefore that you join us in retaining NOP and SR at this time. In order to show your commitment and to help cover a portion of the cost, a retainer of \$150.00 is being requested. No further retainer or legal fees will ever be requested from you. If the motion is successful, Nelligan will refund the \$150 retainer provided in full.

If you support having NOP and SR appointed by the Court to represent you and you have not already retained them, please complete the enclosed retainer form as soon as possible and mail, e-mail or fax it to:

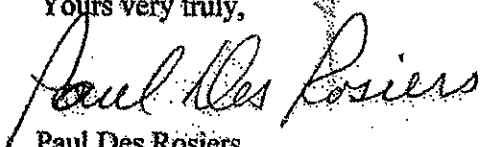
Nelligan O'Brien Payne LLP
attention Genève Vachon,
Suite 1500, 50 O'Connor Street,
Ottawa, ON, K1P 6L2.
Fax: 613-788-2369
Phone: 1-888-565-9912
E-mail: fraserpapers@nelligan.ca

Cheques in the amount of \$150.00 should be made payable to Nelligan O'Brien Payne in trust

NOP has a website and if you wish to know more please visit Nelligan's website at www.nelligan.ca or e-mail NOP at fraserpapers@nelligan.ca. They can also be reached by phone at 1-888-565-9912. In addition, myself and the Steering Committee would be happy to speak or communicate directly with you. We can be reached by email at pauldesrosiers@sympatico.ca (Paul Des Rosiers) or at dunnigan@sympatico.ca (Murray Dunnigan)

Thanks to the efforts made to date by retirees, it is clear that we will have representation in this process after September 8, 2009. The only issue left to be decided is whom our representatives will be and whether our representation will be separate from active employees. I ask you to support our selection of counsel in order to help ensure that the voices of retirees are independently heard in this CCAA process.

Yours very truly,



Paul Des Rosiers

On behalf of the Steering Committee of the Fraser Papers' Salaried Retirees Committee

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AUTHORIZATION AND RETAINER

I, _____, hereby confirm that I am a former salaried employee of Fraser Papers Ltd. (or its predecessors) and/or a member of the _____ pension plan (the "Pension Plan") and/or a beneficiary under the Pension Plan.

I understand that the Fraser Papers' Salaried Retirees Committee ("FPSRC") is a committee formed to represent a group of former salaried employees of Fraser Paper and their beneficiaries (the "Group"). By this retainer, I apply to join that Group.

I understand that the Steering Committee for the FPSRC has retained the law firm of Nelligan O'Brien Payne LLP on behalf of itself and the members of the Group it represents for advice and representation in connection with the legal proceedings presently brought by Fraser Papers under the *Companies' Creditors Arrangement Act* ("the CCAA Proceedings"), subject to the signing of retainers by the Group members.

I hereby retain Nelligan O'Brien Payne LLP to act on my behalf in connection with the CCAA Proceedings and the Pension Plan and other related benefits and to that end attach the required deposit of \$150 towards legal fees to be incurred on my behalf.

I understand that Nelligan O'Brien Payne LLP will be instructed by the Steering Committee for the FPSRC on behalf of all members in the Group and I agree to be bound by those instructions.

I also understand that it is the intention of Nelligan O'Brien Payne LLP to make application for a Court Order appointing it as representative counsel in the CCAA proceedings for all members of the Group with respect to all issues pertaining to Fraser Papers' insolvency and that it will seek reimbursement of all related legal fees and disbursements ("the Order").

Should the Order be granted, Nelligan O'Brien Payne LLP will not seek further payment of legal expense from me and will refund the \$150 deposit I have provided.

Should the Order not be granted and should mutually acceptable other arrangements not be made, Nelligan O'Brien Payne LLP may withdraw its services without further obligation on my part to pay further legal fees.

Protection of Privacy: I further authorize and direct the FPSRC and Nelligan O'Brien Payne, as well as any agents retained on our behalf, including actuaries, advisors and third party service providers, to obtain all documents and information legally available to me in respect of the Pension Plan, including my personal information and any such information that may otherwise be subject to the protections of governing privacy and pension legislation. Any party receiving this information undertakes to keep any personal information so collected in confidence and such information will be used only for the purposes of representing me and advancing my rights in respect of the CCAA Proceedings and the Pension Plan.

Date: _____

Signature: _____

[Please Print]

Name: _____

Home E-mail: _____

Address: _____

Home Phone: _____

[Please Note: Retainer should be sent to Nelligan O'Brien Payne LLP, attention Geneve Vachon, Suite 1500, 50 O'Connor Street, Ottawa, ON, K1P 6L2. Cheques in the amount of \$150.00 should be made payable to Nelligan O'Brien Payne in trust.]

EXHIBIT F

Overview of Distribution of Letters

	Nelligan / Sibley Mailing		Davies Mailing	
	Unionized	Non-Union	Unionized	Non-Union
Active: Hourly	No letter	No letter	No letter	Canada – 97 letters sent U.S. – 120 letters sent
Inactive (Terminated): Hourly	No letter	No letter	No letter	Canada – 44 letters sent
Active: Salaried and Other Non-Union	N/A	No letter	N/A	Canada – 178 letters sent U.S. – 235 letters sent
Inactive (Terminated): Salaried and Other Non-Union	N/A	No letter	N/A	Canada – 14 letters sent U.S. – 15 letters sent
Supplemental Executive Retirement Plans / Deferred Compensation Plan	N/A	No letter (31 of the 488 Canadian non-union retirees would have received a letter due to overlap in also being DB plan beneficiaries)	N/A	Canada – 47 letters sent U.S. – 40 letters sent
Salaried and Other Non-Union Retirees	N/A	Canada – 488 letters sent U.S. – No letter	N/A	Canada – 488 letters sent U.S. – 233 letters sent
Hourly Union Retirees	Canada – No letter U.S. – No letter	N/A	Canada – 990 letters sent U.S. – No letter	N/A
Deferred Vested Participants (Non-Union)	N/A	Canada – 61 letters sent U.S. – No letter	N/A	Canada – 61 letters sent U.S. – 75 letters sent
Deferred Vested Participants (Unionized)	Canada - No letter U.S. – No letter	N/A	Canada – 104 letters sent U.S. – No letter	N/A

Canada Life Insurance or Health Benefits – no pension		No letter		Canada – 65 letters sent	

“N/A” – Not applicable as no one in that category.

EXHIBIT G

ThorntonGroutFinnigan
THE RESTRUCTURING & LITIGATION BOUTIQUE

Delivered by email

August 24, 2009

Nelligan O'Brien Payne LLP
50 O'Connor, Suite 1500
Ottawa, Ontario
K1P 6L2

Attention: Steven Levitt

- AND -

Shibley Righton LLP
250 University Avenue, Suite 700
Toronto, Ontario
M5H 3E5

Attention: Tom McRae

Davies Ward Phillips & Vineberg LLP
Suite 4400
1 First Canadian Place
Toronto, Ontario
M5X 1B1

Attention: Jay Swartz

Counsel:

Re: CCAA Proceeding of Fraser Papers Inc. and its subsidiaries (collectively, the "Company")

Following a 9:30 a.m. scheduling attendance on August 7, 2009, a date was set for the hearing of motions dealing with the appointment of representative counsel in this matter. Each of you indicated that your firms have been retained by certain constituents and that you will be bringing a motion returnable on September 8, 2009 seeking your firm's appointment as representative counsel. The Company has previously confirmed that it is prepared to pay the reasonable fees and disbursements of one counsel appointed by the Court to represent all beneficiaries under the Company's pension plans and similar plans, where such representation can be done effectively for those requiring representation, and efficiently for the benefit of all stakeholders of the Company.

Each of you requested that the Company issue a letter to prospective members of a representative group, advising of your firm's motion seeking an appointment as representative counsel. The Company facilitated the mailing of these letters to the recipient groups you identified, to preserve the confidentiality of each individual's personal information.

ThorntonGroutFinnigan LLP

Suite 3200, Canadian Pacific Tower, 100 Wellington St. West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Canada M5K 1K7
Phone: 416-304-1616 Fax: 416-304-1313 www.tgf.ca

The Company and PricewaterhouseCoopers Inc. in its capacity as Court-appointed monitor (the "Monitor") have been in discussions regarding the decision to be made by the Court on September 8, 2009. The Company and the Monitor are of the view that it would assist in considering the motions for the appointment of representative counsel if we and the Monitor were able to obtain your input on several key aspects of the proposed appointment by the Court.

Please provide your written response to the questions set out below by August 28, 2009.

1. What do you view as the scope of your retainer?
 - (a) Are you seeking to represent your client group with respect to all retirement plans or arrangements (including registered pension plans, supplementary pension plans, group insured and ASO health care benefit plans, equity based compensation and incentive plans) sponsored by the Company?
 - (b) Is your retainer intended to be limited to the retirement plans or arrangements that are provided to beneficiaries generally, rather than having application to any individual retirement plans or arrangements?
2. What is the intended composition of the members of the group you seek to represent?
 - (a) Are you seeking to represent all non-unionized members of all of the plans including actives, those on leave of absence or layoff, deferred vested members, and all retirees (whether they were unionized when employed or not)?
 - (b) If you are seeking to represent retirees who were unionized when they were employees, what is your position if the union is of the view that it is legally authorized and wishes to represent the interests of that group?
 - (c) Is there any group that you intend to exclude from representation? If so, please identify this group or groups.
3. What factors were considered when identifying your intended constituent group(s), and/or excluding any others from the group?
4. How do you foresee the interests of any other existing or future beneficiaries under the pension plans (including the U.S. beneficiaries) and any others who are not part of your identified group, to be addressed (i) in the claims process; and (ii) as part of a Plan of Arrangement that may be presented?
5. What role do you perceive representative counsel playing in the claims process? Please provide specifics as to the completion and filing of claims, valuing claims, addressing any disallowance of claims and resolving any disputes.
6. Other than the letter delivered by the Company to your intended clients, what future communication do you anticipate having with the client group? (Do you contemplate any

meetings of this group being required and, if so, provide details as to frequency, location(s), purpose and timing.)

7. The Company must prepare and adhere to cash flow forecasts provided to its DIP lenders. Please provide us with: (i) an estimated budget for fees and expenses that you anticipate incurring with reference to the anticipated time period; and (ii) any other information that you think would be useful to the Company or the Monitor in considering this financial issue. Are you prepared to operate within a fixed fee structure?
8. Do you foresee retaining any other firm, advisors, consultants or otherwise to assist in fulfilling your mandate and, if so, please confirm if the anticipated costs are included in the budget referred to above. Are you prepared to agree to limit any such fees to a fixed amount?
9. If a conflict or potential conflict is identified as it relates to differing members of your client group, how do you intend to resolve this conflict? Please describe the processes you will have in place to identify and address differing interests within the group represented, and perceived and actual conflicts of interest.
10. Do you believe that all retirees who are beneficiaries under a defined benefit pension plan (whether formerly unionized or non-unionized) have a common interest? Whether or not you believe they have a common interest, what is your view on whether the formerly unionized beneficiaries could be represented by the union with respect to their interest under the defined benefit pension plan?
11. Based on the materials that have been filed in this proceeding, what do you view as the main obstacles facing the Company as it seeks to maximize recovery for the creditors?

Thank you for your input. If the Company or the Monitor require any further information once the above is received, we will contact you in that regard. Please provide us with a draft of the Order you will be seeking on September 8, 2009 at your earliest opportunity.

Yours very truly,

Thornton Grout Finnigan LLP



D.J. Miller

cc: John McKenna, *PricewaterhouseCoopers Inc.*
cc: Peter Gordon, *Fraser Papers Inc.*

EXHIBIT H

August 28, 2009

Jay A. Swartz
Dir 416.863.5520
jswartz@dwpv.com

File No. 229194

BY E-MAIL

Ms D.J. Miller
Thornton Grout Finnigan LLP
Suite 3200, Canadian Pacific Tower
100 Wellington Street West
P.O. Box 329, Toronto-Dominion Centre
Toronto, ON M5K 1K7

Dear Ms Miller:

Fraser Papers Inc. and its Subsidiaries (collectively, the "Company")

Thank you for your letter of August 24 inquiring about the proposed scope of our retainer as representative counsel for the Company's non-unionized employees, former employees and other plan beneficiaries.

As a general comment, we believe that the restructuring process would be facilitated if there was a single counsel representing the broadest constituency possible among Canadian and U.S. non-unionized employees, former employees and other plan beneficiaries who are unrepresented in the proceedings. We do not have all of the plan documents and other compensation arrangements at this time; however, we believe that the restructuring will be facilitated if the Company has fewer parties with whom it must negotiate and if the current non-unionized employees, former employees and other plan beneficiaries can speak with a single voice. We believe these parties will have a commonality of interest.

We will deal with your specific questions in the same order and with the same numbers:

1. We would view our client group as including the beneficiaries of all retirement plans or arrangements sponsored by the Company, including registered pension plans, supplementary retirement plans, group insurance and healthcare benefits, equity-based compensation and incentive plans. We would not propose to limit our representation unless ordered by the Court or requested to do so by specific groups of employees, former employees or beneficiaries. We would not purport to represent current employees who are already represented by unions and their counsel.

2. We would contemplate that our group would include all persons who are members of the Company's plans, including active employees, those on layoffs or leaves of absence, deferred vested members and retirees. In light of the commonality of interests, we believe it would be best to include plan beneficiaries who were previously members of unions but we understand that certain unions may be purporting to represent these parties. If the Court determines that they are more appropriately represented by the unions, we would obviously respect that decision and work to coordinate our efforts with those unions who are representing these former employees. Ultimately, it would be the Court's decision as to whether the unions are legally authorized to represent the former employees. Further, the order we are seeking would contemplate that any member of the groups which we are purporting to represent would have the ability to opt out of representation as we do not feel that it is appropriate to represent an individual against his or her wishes.

We do not expect to represent any salaried employees in negotiations of any changes to the terms of their ongoing employment but we would assist them with claims for lost benefits and rights under any plans which are compromised or terminated.

3. We believe that, for the most part, there is a broad commonality of interests among all of the parties who we propose to represent. As an example, salaried employees and retirees (formerly unionized or not) employed or formerly employed by the Company have the same interest in ensuring the continued viability and full funding of their pension plans. The interests of all employees and former employees as unsecured creditors are aligned. Therefore, we believe that a restructuring process will be more efficient if the group is as broad as possible. Therefore, we concluded that it was best not to exclude any parties from our proposed mandate.
4. We believe that the beneficiaries of each pension plan would be best served if a single claim can be filed on behalf of each plan in the claims process and possibly if a single vote on behalf of the members of each plan could be made in respect of a plan of arrangement (although the latter may be more contentious). Obviously, if certain members of a plan have other counsel we will have to try to coordinate with them so that there is a consistent and efficient approach to valuing the claims. In addition, it may be necessary to coordinate any claims with the Pension Benefit Guaranty Corporation ("PBGC") in the U.S. if we are providing any assistance to U.S. plan members.

With respect to plans which are more tailored for individuals such as SERPs or deferred compensation plans, we would assist the beneficiaries with their individual claims if they wished.

5. With respect to pension plans, we would work with independent actuaries to value a deficiency claim if in fact the Company's plan does not contemplate fully funding the pension plans in accordance with pension law. We would work with the Company to file appropriate claims.

For other plans which may be terminated, we would assist any individual employees or former employees who require help with the valuations and filing of their claims as well as understanding the consequences of any plan of arrangement. We are prepared to assist employees and former employees with claims disputes if they arise.

6. We have sent a letter to the proposed clients using the Company's mailing facilities. Because we were initially told that the retirees in the U.S. who had previously been represented by unions were still represented by the USW, we did not send them a mailing but we would include this group in our representation mandate, if this is not the case. In addition, we have had direct conversations with a number of former employees and current employees who have formed an advisory committee which has been in touch with us on a regular basis through individual calls and conference calls. Members of this committee are having direct discussions with other affected individuals and groups. We have set up a website through which we intend to communicate with employees on a broad-based basis; our website is linked to the Monitor's website. We would also propose to have a separate but limited access website where members of all our committee could access documents and information provided by the Company and the firm on a confidential basis. We have also established a toll-free hotline through which employees, former employees and plan beneficiaries can contact us and we have already received a number of telephone calls which we have responded to on an individual basis.

While we do not anticipate having any public meetings prior to appointment as representative counsel, we have indicated to groups of employees and former employees that we are willing to participate in conference calls to respond to questions they may have at this time, particularly questions relating to our proposed retainer. As events unfold, we may conclude that it is appropriate to hold town hall meetings at or near the Company's operating facilities so that employees and former employees can be updated and have their questions answered. No specific plans have been made in this regard and our intentions will be dependent upon how events unfold.

7. Our time spent to date in seeking the representation order is approximately \$68,000 plus \$3,000 for disbursements relating to the mailing (for which we have not yet been invoiced). This amount includes a preliminary review of plan documents and valuations. We anticipate that we will likely spend an addition \$40-50,000 in preparing for the court proceedings and dealing with employees and former

employees in connection with the motion. We would expect that these amounts would be reimbursed by the Company forthwith upon our appointment. We have not requested money from any of our clients. It is difficult to estimate our fees and expenses at a time when our role is not completely defined. As a general matter, we intend to bill at our usual hourly rates and do so on a regular basis so that the Company is up to date with respect to our accrued time.

We understand the need for the Company to establish a budget. This will in part be dependent upon the actual timetable to be followed by the Company in developing its plan. We anticipate the initial costs in dealing with the claims process and, if necessary, preparing claims to be in the order of \$100-250,000 but this could be greatly affected by mechanisms which could be developed to bring efficiency to the individual claims processes. On a going forward basis, we expect that there will be time spent at specific court hearings (which we cannot accurately anticipate either in frequency or timing) as well as time spent to deal with the plan and the voting procedures. Again, we would estimate these costs to be in the order of \$100-250,000. Given the uncertainty about our retainer as well as our inability to control events, we are not able to agree to any fixed fee structure.

We are sympathetic to the Company's need to minimize the costs of the restructuring. Given the broad training of our lawyers, we are able to staff files leanly. We will have work done at the lowest seniority level possible to minimize costs.

8. We would like to work with the Company in developing a means of minimizing the need for other advisors or consultants to assist in our mandate. However, we anticipate that we will need any actuarial calculations prepared by the Company to be reviewed by an independent actuary. Subject to direction from our advisory committee, it may be possible to develop a means of reducing the actuarial costs by having an independent actuary acceptable to all parties perform the necessary services to update the assessment of actuarial deficiencies. We believe this independent review is critical to minimizing claim disputes as well as ensuring that our clients feel that they are being fairly treated.

Depending on the proposed plan of arrangement, we may need the assistance of an investment banker or financial advisor to help us evaluate any non-cash consideration being offered to our clients, as well as to assess the viability of the restructured company. In addition, we may need assistance from U.S. counsel to assist us with U.S. pension and employment law issues if our group is broad enough to include all of the U.S. former employees and salaried employees.

We have not obtained any budget from any such consultants or advisors nor have we contacted any of the due to the confidential nature of our proposed retainer. Further, it is difficult for us to obtain a budget from them without knowing the

scope of the work required. We will ask the advisors for a budget and be very specific in terms of the advice we are seeking so that the advice will be focussed.

9. We are not aware of any current conflicts between the differing members of our group. However, it is conceivable that such conflicts could arise in the future. For example, if the Company makes a proposal which reduces compensation to retirees in order to preserve jobs, there may be a divergence of views between our clients who are current salaried employees (but have a vested interest in a pension plan) and those who are no longer with the Company. Similarly, U.S. plan members who have the benefit of protection from the PBGC if the Company fails may have less at stake if the Company is not successful in the restructuring although we expect they will have a commonality of interest with other retirees. If a conflict is identified, we would try to resolve the differences and, if necessary, we would propose to our clients that they obtain representation by separate counsel and, if appropriate, bring the matter before the Court for a limited appointment of special representative counsel. Our primary means of identifying conflicts will be through a review of the facts as they arise as well as through discussions with members of our committee. Given the broad representation on our advisory committee, we believe that they will be well attuned to conflicts and will help us identify potential concerns.
10. We believe that all members of defined benefit pension plans have common interests whether they were previously represented by unions or not; simply put they will all want to preserve the benefits to which they are entitled to the maximum extent permitted by law. We believe that the Company should not be burdened with the funding of more than one representative of plan beneficiaries as this will ultimately reduce everyone's recovery.

While it is possible for formerly unionized beneficiaries to be represented by a union, this will potentially complicate matters in that there will be multiple parties representing beneficiaries of the same plan who may have different views. In particular, we would be concerned about the potential conflict that the unions may have between looking after the interests of the retirees and looking after the interests of their current members. Nonetheless, if the Court concludes that the unions should be appointed to represent the members of pensions plans who are former union members or if people elect to opt out of our representation and have the unions represent them, we will attempt to work closely with union counsel and to coordinate our efforts. We would also think that sharing information with them will expedite procedures and minimize costs.

11. Based on the materials to date, we recognize that the Company has significant issues facing it due to the poor state of its markets and other factors which have led to its insolvency. We also recognize that the Company is now and is likely to be severely capital constrained and this will affect the nature of any plan which it puts forward. This will also dictate that the CCAA process must move quickly and

efficiently to minimize costs and maximize recovery for all stakeholders. Given the important role that the workforce plays and the size of the claims which the employee and former employee groups have, we expect that differences can be dealt with constructively through meaningful dialogue between the Company and these groups through their representative counsel.

Part of our objective in this process would be to ensure that our clients are satisfied that their claims are being properly evaluated and that they have a proper understanding of the plan and its consequences so their votes can be informed.

We would be happy to respond to any other questions which you may have.

We will forward a draft form of order shortly for your review and comments.

Yours very truly,

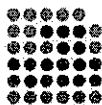
A handwritten signature in black ink, appearing to read 'J. Swartz', with a stylized flourish at the end.

Jay A. Swartz

JAS/kcc

cc John McKenna (PricewaterhouseCoopers)
Peter Gordon (Fraser Papers)
Rob Chadwick (Goodmans LLP)

EXHIBIT I



Nelligan O'Brien Payne

Lawyers/Patent and Trade-Mark Agents
Avocats/Agents de brevets et de marques de commerce

Steven Levitt, Tel: (613) 231-8283, Fax: (613) 788-2369, steven.levitt@nelligan.ca

August 28, 2009

BY E-MAIL

D.J. Miller
Thornton Grout Finnigan LLP
Suite 3200 Canadian Pacific Tower
100 Wellington Street West
Toronto, ON M5K 1K7

Dear Ms. Miller:

Re: Fraser Papers re: CCAA Proceedings
Our File No.: 28226-1

I am writing in response to your letter of August 24, 2009. As you know, we served our clients' Motion Record yesterday. Many of the questions you have posed are addressed in the Motion Record. Nonetheless, following the numbering in your letter, we respond as follows:

1 and 2. The Fraser Papers Salaried Retirees Committee (FPSRC) has retained Nelligan O'Brien Payne LLP and Shibley Righton LLP on behalf of itself and the members of the Group it represents for advice and representation in connection with the proceedings brought by Fraser Papers under the CCAA. The Group consists of salaried retirees (i.e. non-unionized retirees), their beneficiaries (i.e. surviving spouses) and deferred vested participants who are members in Fraser Papers' non-unionized Pension Plans.

We understand that the Unions are representing active and retired union members. It is over view that the Unions are legally entitled to represent the interests of retired union members and that those individuals are quite properly represented by the Unions. However, should it be determined that Unions are not representing their retirees, their beneficiaries and unionized deferred vested participants, we would be prepared to represent those individuals as well. Given the obvious conflicting interests between retirees and employees, we are not seeking to represent employees.

As retirees on fixed incomes, the group members are extremely concerned with both the funding deficiency in the Pension Plan and the impact the CCAA proceedings will have on their pension

Nelligan O'Brien Payne LLP | www.nelligan.ca | [PLEASE REPLY TO OTTAWA OFFICE] ☎

OTTAWA: 50 O'Connor, Suite 1500, Ottawa, ON K1P 6L2, Tel/Tél: (613) 238 8080, Fax/Téléc.: (613) 238 2098
KINGSTON: The Woolen Mill, 4 Cataraqui, Suite 202, Kingston, ON K7K 1Z7, Tel/Tél: (613) 531 7905, Fax/Téléc.: (613) 531 0857
VANKLEEK HILL: 86 rue High Street, P.O. Box/C.P. 190, Vankleek Hill, ON K0B 1R0, Tel/Tél: (613) 678 2490, Fax/Téléc.: (613) 678 3762
ALEXANDRIA: 139 Main South/sud, Alexandria, ON K0C 1A0, Tel/Tél: (613) 525 2396, Fax/Téléc.: (613) 525 2752

entitlements. The funding of the Defined Benefit Pension Plan has already been effected, as the Company applied for and received court permission to cease making special payments. Our clients are very concerned that their pension entitlements will further be impacted by the CCAA proceedings and thus their already limited fixed incomes will be severely reduced. As elderly individuals, they are not in a position to seek employment to replace any lost income. Any reductions to the pensions will significantly impact their quality of life.

In addition, a number of the group members are also entitled to receive supplementary Pension Plan (SERP) payments from Fraser. We understand that the Company has, as of the CCAA filing date, ceased making SERP payments causing those effected retirees to lose a significant portion of their fixed monthly incomes. The retirees are also concerned about the company's commitment to continue funding their health benefits which, as elderly individuals, the retirees greatly rely upon to help cover their medical costs. While those benefits are currently being maintained, we have been informed that there are only sufficient funds in the Health and Welfare Trust to cover those benefits for the next few months.

The scope of our retainer is to represent our clients with respect to any and all entitlements they have including registered pension plans, supplementary pension plans and retiree benefit plans. Please provide us with copies of all relevant documents and data, including those pertaining to the various pension, retiree benefits and supplementary pension, any other plans or arrangements for retirees including up-to-date financial information regarding the funding and investments of any of these arrangements and any associated actuarial valuation and reports.

We also expect to represent the interests of retirees should other (currently unforeseen) issues affecting them arise during these proceedings. An example of this would be the motion earlier brought in these proceedings concerning the Company's contributions to the pension fund (where they had no representation).

3. See answer 1 and 2.

4. As discussed above, we understand that unionized retirees are being represented by their respective Unions. In terms of U.S. retirees and employees, please advise what are the Company's intentions with regards to their participation in the Canadian Claims Process and any Plan of Arrangement that may be presented. If it is the Company's intention, that U.S. beneficiaries will be filing any claims they have in the Canadian Claims Process, U.S. based counsel will have to be retained.

5. We foresee the role of representative counsel as ensuring a professional and orderly representation of the retirees through the claims process and the eventual plan of arrangement. Representative Counsel would assist retirees throughout the claims process, including the valuing of claims, filing and completion of claims and addressing any disallowance or dispute regarding their claims.

6. We intend to communicate with our clients directly in variety of methods including through correspondence, e-mail and updates to our website. Group meetings will be held as required and in locations where a sufficient number of our clients reside. As part of the Order, we are seeking the contact information including the names, last known addresses and last known phone numbers and e-

mail addresses for the salaried retirees, as well as applicable data regarding their entitlements, subject to a confidentiality agreement that the information is to only be used for the purposes of the proceedings. The information will allow us to communicate directly and effectively with our clients.

7. We are prepared to operate within a reasonable fixed fee structure and are also prepared to discuss a possible monthly cap on fees.

The hourly rates of the solicitors involved are considerably lower than those of many large Toronto law firms. For Nelligan O'Brien Payne LLP, Mark Seebaran, Chris Rootham and my hourly rate are \$300.00 and the junior hourly rate is set at \$180.00. Thomas McRae's hourly rate at Shibley Righton LLP is set at \$450.00 per hour.

We understand from discussions with your colleague Robert Thornton, that after being advised of our retainer and our clients' instructions to file a motion for a representation order, the Company retained Davies Ward Phillips & Vineberg LLP to act for both retirees and salaried employees. Please advise as to the retainer and budget the Company has agreed upon with Davies Ward Phillips & Vineberg LLP.

8. Yes. It will be necessary to retain actuarial consultants to assist with valuing pension related claims and financial consultants to assess any plan of arrangement proposed by the Company. Please advise as to the arrangements the Company has agreed upon with Davies Ward Phillips & Vineberg LLP concerning the retention of consultants.

9. In order to avoid conflicts and potential conflicts in the future, we are not seeking to represent employees of the Company. At this time we do not foresee a conflict developing amongst our clients. However, should conflicts develop in the future, the matter will be addressed with our Steering Committee and if the conflict cannot be resolved, we will apply to the Court for appropriate directions.

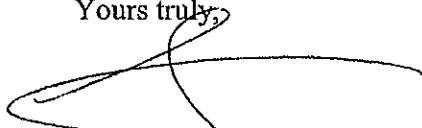
10. Retirees, their beneficiaries and deferred vested participants in the pension plans all have common interests. However, it is our view that unionized retirees ought to be and are quite properly represented by their Unions. Furthermore, we have been advised that the Communications, Energy and Paperworkers Union of Canada, the New Brunswick Regional Council of Carpenters, Millwrights and Allied Workers, Local 2450 and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union all intend to and are currently representing the interests of their unionized retirees.

11. We do not have sufficient information concerning Fraser Papers' restructuring plans and the necessary documentation concerning our clients' entitlements to comment at this time. Please advise as to Fraser Papers' intentions and provide the documentation we have requested.

In previous discussions with Mr. Thornton and Robert Chadwick, Counsel for the Monitor, we were advised that both the Company and the Monitor are agreeable to the Claims Bar Date being extended. Once provided by the Company with necessary documents and data regarding the clients' entitlements, an extension will allow Representative Counsel to properly investigate, value, consult and file the

necessary claims on their clients' behalf. Please confirm that the Company will consent to an Order extending the Claims Bar Date.

Yours truly,

A large, stylized handwritten signature in black ink, appearing to be 'Steve Levitt', written over the 'Yours truly,' text.

Steve Levitt
SLV/cp

c.c. Thomas McRae, Shibley Righton LLP (by e-mail)

EXHIBIT J

ThorntonGroutFinnigan

THE RESTRUCTURING & LITIGATION BOUTIQUE

D.J. Miller
Direct: 416-304-0559 E-mail: djmiller@tgf.ca
File No.: 1296-001

August 14, 2009

Delivered by Facsimile: (416) 842-4839

Royal Bank of Canada
2nd Floor, North Tower
Royal Bank Plaza, 200 Bay Street
Toronto, Ontario
M5J 2J5

Attention: Matthew Gilchrist

Dear Sir:

Re: Proceeding commenced by Fraser Papers Inc. and its subsidiaries (the "Applicants") under the *Companies' Creditors Arrangement Act* (the "CCAA")

We are counsel to Fraser Papers Inc. and the other Applicants in connection with a proceeding commenced under the CCAA by Order of Mr. Justice Morawetz dated June 18, 2009, which Order was amended and restated on July 15, 2009 (the "Initial Order").

As described in the Affidavit of J. Peter Gordon sworn June 17, 2009 and filed in the CCAA proceeding, the Applicants maintain various accounts at Royal Bank of Canada ("RBC") through which the centralized cash management system operates.

You have requested confirmation, and on behalf of the Applicants we hereby confirm, that the definition of "Cash Management System" in paragraph 5 of the Initial Order was intended to describe the Applicants' banking arrangements as they existed immediately prior to filing for protection under the CCAA on June 18, 2009, including foreign exchange transactions facilitated by RBC.

At your request and for greater certainty, at our next Court attendance we will request an amendment to paragraph 5 of the Initial Order to confirm that the definition of "Cash Management System" referred to therein includes foreign exchange transactions effected by RBC at the request of the Applicants.

We also hereby confirm that PricewaterhouseCoopers Inc., in its capacity as Court appointed Monitor of the Applicants, CIT Business Credit Canada Inc. and Brookfield Asset Management Inc., (the latter two parties being lenders providing DIP financing to the Applicants in the CCAA proceeding), have confirmed their consent to such an amendment to the Initial Order.

ThorntonGroutFinnigan LLP

Suite 3200, Canadian Pacific Tower, 100 Wellington St. West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Canada M5K 1K7
Phone: 416-304-1616 Fax: 416-304-1313 www.tgf.ca

We trust this is the information you require.

Yours very truly,

ThorntonGroutFinnigan LLP

A handwritten signature in black ink, appearing to read 'D.J. Miller', is written over the firm name.

D.J. Miller
DJM/gk

cc: Glen McMillan, *Fraser Papers Inc.*
John McKenna, *PricewaterhouseCoopers Inc. – the Monitor*
Susan Grundy, *Blake Cassels & Graydon – Counsel to CIT*
Tony DeMarinis, *Torys – Counsel to Brookfield*

EXHIBIT K

Fraser Papers Limited
Deferred Compensation Plan
Master Plan Document

As amended and restated effective as of January 1, 2009

Fraser Papers Limited

Deferred Compensation Plan

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FRASER PAPERS LIMITED DEFERRED COMPENSATION PLAN

As Amended and Restated Effective as of January 1, 2009

Purpose

The purpose of this Deferred Compensation Plan is to provide specified benefits to a select group of management or highly compensated Employees who contribute materially to the continued growth, development and future business success of Fraser Papers Limited, a Maine corporation, its subsidiaries, parents or affiliates, if any, that sponsor this Deferred Compensation Plan. This Deferred Compensation Plan shall be unfunded for tax purposes and for purposes of Title I of ERISA.

ARTICLE 1 **Definitions**

For purposes of this Deferred Compensation Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

- 1.1 “Account Balance” shall mean, with respect to a Participant, a credit on the records of the Employer equal to the sum of (i) the Deferral Account balance, (ii) the Company Matching Account balance, (iii) the Company Contribution Account balance and (iv) the Rollover Account balance. The Account Balance, and each other specified account balance, shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Deferred Compensation Plan.
- 1.2 “Annual Bonus” shall mean any compensation, in addition to Base Annual Salary, relating to services performed during any calendar year payable to a Participant as an Employee under any Employer’s annual bonus and cash incentive plans, excluding stock options and Extraordinary Income.
- 1.3 “Annual Company Contribution Amount” shall mean, for any one Plan Year, the amount determined in accordance with Section 3.5.
- 1.4 “Annual Company Matching Amount” shall mean, for any one Plan Year, the amount determined in accordance with Section 3.6.
- 1.5 “Annual Deferral Amount” shall mean that portion of a Participant’s Base Annual Salary, Annual Bonus and Extraordinary Income that a Participant elects to have, and is deferred, in accordance with Article 3, for any one Plan Year. In the event of a Participant’s Retirement, Disability (if deferrals cease in accordance with Section 8.1), death or a

Fraser Papers Limited

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Termination of Employment prior to the end of a Plan Year, such year's Annual Deferral Amount shall be the actual amount deferred prior to such event.

- 1.6 "Base Annual Salary" shall mean the annual cash compensation relating to services performed during any year, excluding flex credits given to the Participant under the Company's flexible benefit program, bonuses, commissions, overtime, fringe benefits, stock options, relocation expenses, educational assistance, incentive payments, non-monetary awards, directors fees and other fees, automobile and other allowances, paid to a Participant for employment services rendered (whether or not such allowances are included in the Employee's gross income). Base Annual Salary shall be calculated before reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or non-qualified plans of any Employer and shall be calculated to include amounts not otherwise included in the Participant's gross income under Code Sections 125, 132(f)(4), 402(e)(3) or 402(h) pursuant to plans established by any Employer; provided, however, that all such amounts will be included in compensation only to the extent that, had there been no such plan, the amount would have been payable in cash to the Employee.
- 1.7 "Beneficiary" shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article 9, that are entitled to receive benefits under this Deferred Compensation Plan upon the death of a Participant.
- 1.8 "Beneficiary Designation Form" shall mean the form established from time to time by the Committee that a Participant may complete, sign and return to the Committee to designate one or more Beneficiaries. The Beneficiary Designation Form, the Deferment Agreement and the Election Form may be combined in a single document.
- 1.9 "Board" shall mean the board of directors of the Company.
- 1.10 "Change in Control" shall mean the first to occur of any of the following events:
 - (a) Any "person" (as that term is used in Section 13 and 14(d)(2) of the Securities Exchange Act of 1934 ("Exchange Act")) other than Fraser Papers Inc. or Fraser Papers Holdings Inc. becomes the beneficial owner (as that term is used in Section 13(d) of the Exchange Act), directly or indirectly, of 50% or more of the capital stock of the Company, Fraser Papers Inc. or Fraser Papers Holdings Inc. entitled to vote in the election of directors;
 - (b) During any period of not more than two consecutive years, not including any period prior to the adoption of this Plan, individuals who, at the beginning of such period constitute the board of directors of the Company, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a), (c), (d) or (e) of

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this Section 1.10) whose election by the board of directors or nomination for election by the Company's stockholders was approved by a vote of at least three-fourths (3/4ths) of the directors then still in office in the case of Fraser Papers Inc. or by a vote of all of the directors then still in office in the case of Fraser Papers Holdings, Inc. or the Company, who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

- (c) The shareholders of the Company, Fraser Papers Holdings Inc. or Fraser Papers Inc. approve any consolidation or merger of the Company, Fraser Papers Holdings Inc. or Fraser Papers Inc. other than a consolidation or merger of the Company, Fraser Papers Holdings Inc. or Fraser Papers Inc. in which the holders of the common stock of the Company, Fraser Papers Holdings Inc. or Fraser Papers Inc. immediately prior to the consolidation or merger hold more than 50% of the common stock of the surviving corporation immediately after the consolidation or merger;
 - (d) The shareholders of the Company, Fraser Papers Holdings Inc. or Fraser Papers Inc. approve any plan or proposal for the liquidation or dissolution of the Company, Fraser Papers Holdings Inc. or Fraser Papers Inc. or
 - (e) The shareholders of the Company, Fraser Papers Holdings Inc. or Fraser Papers Inc. approve the sale or transfer of all or substantially all of the assets of the Company, Fraser Papers Holdings Inc. or Fraser Papers Inc. to parties that are not within a "controlled group of corporations" (as defined in Code Section 1563) in which the Company, Fraser Papers Holdings Inc. or Fraser Papers Inc. is a member.
- 1.11 "Claimant" shall have the meaning set forth in Section 14.1.
- 1.12 "Code" shall mean the United States Internal Revenue Code of 1986, as it may be amended from time to time.
- 1.13 "Committee" shall mean the committee described in Article 12.
- 1.14 "Company" shall mean Fraser Papers Limited, a Maine corporation, and any successor to all or substantially all of the Company's assets or business.
- 1.15 "Company Contribution Account" shall mean (i) the sum of the Participant's Annual Company Contribution Amounts, plus (ii) interest credited in accordance with all the applicable interest crediting provisions of this Plan that relate to the Participant's Company Contribution Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's Company Contribution Account.

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- 1.16 "Company Matching Account" shall mean (i) the sum of the Participant's Annual Company Matching Amounts, plus (ii) interest credited in accordance with all the applicable interest crediting provisions of this Plan that relate to the Participant's Company Matching Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's Company Matching Account.
- 1.17 "Controlled Group" shall mean the Company and any other corporation which is a member of the controlled group of business entities of which the Company is a member as defined in section 414(b), (c), (m) or (o) of the Code.
- 1.18 "Crediting Rate" shall mean, with respect to a Participant's Deferral Account balance, Company Contribution Account balance and Company Matching Account balance for each Plan Year, the interest rate, stated as an annual rate, determined and announced by the Committee before the Plan Year for which it is to be used, that is equal to the applicable "Moody's Rate." The Moody's Rate for a Plan Year shall be an interest rate, stated as an annual rate, that (i) is published in Moody's Bond Record under the heading of "Moody's Corporate Bond Yield Averages-Av. Corp." and (ii) is equal to the average corporate bond yield calculated for the month of September that immediately precedes the Plan Year for which the rate is to be used.
- 1.19 "Deduction Limitation" shall mean the following described limitation on a benefit that may otherwise be distributable pursuant to the provisions of this Plan. Except as otherwise provided, this limitation shall be applied to all distributions that are "subject to the Deduction Limitation" under this Plan. If an Employer determines in good faith prior to a Change in Control that there is a reasonable likelihood that any compensation paid to a Participant for a taxable year of the Employer would not be deductible by the Employer solely by reason of the limitation under Code Section 162(m), then to the extent reasonably deemed necessary by the Employer to ensure that the entire amount of any distribution to the Participant pursuant to this Plan is deductible, the Employer may defer so much of a distribution under this Plan as would exceed the amount that is deductible by the Employer. Any amounts deferred pursuant to this limitation shall continue to be credited with interest in accordance with Section 3.8 below, even if such amount is being paid out in installments. The payment of the amount that is delayed or deferred pursuant to the foregoing provisions of this Section 1.19 shall in all cases be paid during whichever of the following periods of time begins on the earliest date:
- (a) The Participant's first taxable year in which the Company reasonably anticipates, or should reasonably anticipate, that if the payment is made during such taxable year, the deduction of such payment will not be barred by application of Code Section 162(m), or

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- (b) The period of time beginning with the date of the Participant's Separation from Service and ending on the later of the last day of the taxable year of the Company in which the Participant experiences a Separation from Service or the 15th day of the third month following the Participant's Separation from Service;

provided, however, that where any scheduled payment to a specific Participant in the Company's taxable year is delayed in accordance with this Section 1.19, all scheduled payments to that Participant that could be delayed in accordance with this Section 1.19 are also delayed. Where the payment is delayed to a date on or after the Participant's Separation from Service, the payment will be considered a payment upon a Separation from Service for purposes of the rules under Section 7.3 and, in the case of a specified employee (as defined in Section 7.3), the first day of the seventh month following the month in which occurs the date of the Participant's Separation from Service is substituted for a reference to a Participant's Separation from Service in the fifth sentence of this Section 1.19.

- 1.20 "Deferment Agreement" shall mean a written agreement, as may be amended from time to time, which is entered into by and between an Employer and a Participant. Each Deferment Agreement executed by a Participant and the Participant's Employer shall provide only for the benefit to which such Participant is entitled under the Deferred Compensation Plan with respect to a single calendar year. The terms of any Deferment Agreement may be different for any Participant, and any Deferment Agreement may provide additional benefits not set forth in the Plan or limit the benefits otherwise provided under the Plan; provided, however, that any such additional benefits or benefit limitations must be agreed to by both the Employer and the Participant. The Beneficiary Designation Form, the Deferment Agreement and the Election Form may be combined in a single document.
- 1.21 "Deferral Account" shall mean (i) the sum of all of a Participant's Annual Deferral Amounts, plus (ii) interest credited in accordance with all the applicable interest crediting provisions of this Deferred Compensation Plan that relate to the Participant's Deferral Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Deferred Compensation Plan that relate to the Participant's Deferral Account.
- 1.22 "Disability" shall mean the condition that exists when the Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company.

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- 1.23 "Disability Benefit" shall mean the benefit set forth in Article 8.
- 1.24 "Election Form" shall mean the form established from time to time by the Committee that a Participant may complete, sign and return to the Committee to make an election under the Plan. The Beneficiary Designation Form, the Deferment Agreement and the Election Form may be combined in a single document.
- 1.25 "Employee" shall mean a person (i) who is an employee or director of any Employer, (ii) who is a resident of the United States of America, and (iii) whose Base Annual Salary, Annual Bonus, Extraordinary Income, or director's fees represent income from sources within the United States for purposes of Section 861(a)(3) of the Code.
- 1.26 "Employer(s)" shall mean (i) the Company, (ii) any parent or brother-sister company under common ownership or control with the Company, or (iii) any of the Company's subsidiaries (now in existence or hereafter formed or acquired) that have been selected by the Board to participate in the Plan and have adopted the Plan as a sponsor or participating employer.
- 1.27 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.
- 1.28 "Extraordinary Income" shall mean any non-periodic cash amounts paid by the Company to a Participant in connection with the performance of services, including, but not limited to, commissions, director's fees and any cash payments made by the Company to the Participant under any stock option plan of the Company. Extraordinary Income shall exclude Base Annual Salary, Annual Bonus and all other periodic payments by the Company to the Participant and shall exclude severance pay, retirement allowances and any other payments paid in connection with Separation from Service.
- 1.29 "401(k) Plan" shall be that certain Fraser Papers Limited 401(k) Retirement Savings Plan (formerly known as the "Fraser Papers Inc. Retirement Savings Incentive Plan"), adopted by the Company.
- 1.30 "Participant" shall mean any Employee (i) who is selected to participate in the Plan, and (ii) who elects to participate in the Plan, and (iii) who signs a Plan Agreement, an Election Form and a Beneficiary Designation Form, and (iv) whose signed Plan Agreement, Election Form and Beneficiary Designation Form are accepted by the Committee, and (v) who commences participation in the Plan, and (vi) whose Plan Agreement has not terminated. A spouse or former spouse of a Participant shall not be a Participant in the Plan or have an account balance under the Plan, even if he or she has an interest in the Participant's benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.

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- 1.31 "Plan" shall mean the Company's Deferred Compensation Plan, which shall be evidenced by this instrument and by each Deferment Agreement, as they may be amended from time to time.
- 1.32 "Plan Year" shall mean a period beginning on January 1 of each calendar year and continuing through December 31 of such calendar year.
- 1.33 "Pre-Retirement Survivor Benefit" shall mean the benefit set forth in Article 6.
- 1.34 "Retirement", "Retires" or "Retired" shall mean, with respect to an Employee, Separation from Service from all Employers for any reason other than a leave of absence, death or Disability on or after the attainment of the age of 55 with two Years of Service.
- 1.35 "Retirement Benefit" shall mean the benefit set forth in Article 5.
- 1.36 "Rollover Account" shall mean (i) the sum of a Participant's Rollover Amount, plus (ii) amounts credited in accordance with all of the applicable crediting provisions of this Plan that relate to the Participant's Rollover Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her Rollover Account.
- 1.37 "Rollover Amount" shall mean the amount determined in accordance with Section 3.7.
- 1.38 "Separation from Service" shall mean the condition that exists when an Employee who is a Participant in this Plan and the Company reasonably anticipate that no further services will be performed after a certain date or that the level of bona fide services that the Employee will perform after such date (whether as an Employee or an independent contractor) would permanently decrease to no more than 20% of the average level of bona fide services performed (whether as an Employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to the Company if the Employee has been providing services to the Company for less than 36 months). For purposes of this Section 1.38, for periods during which an Employee is on a paid bona fide leave of absence and has not otherwise experienced a Separation from Service, the Employee is treated as providing bona fide services at the level equal to the level of services that the Employee would have been required to perform to receive the compensation paid with respect to such leave of absence. Periods during which an Employee is on an unpaid bona fide leave of absence and has not otherwise experienced a Separation from Service are disregarded for purposes of this Section 1.38 (including for purposes of determining the applicable 36-month (or shorter) period). For purposes of this Section 1.38, the Employer shall be considered to include all members of the Controlled Group; provided, however, that in applying Code Section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent"; and in applying Code Section 414(c), the phrase "at least 50 percent" shall be used instead of the phrase "at

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least 80 percent.” The term “Separation from Service” shall in all cases be defined and interpreted in accordance with Code Section 409A and applicable Treasury Regulations.

- 1.39 “Short-Term Payout” shall mean the payout set forth in Section 4.1.
- 1.40 “Termination Benefit” shall mean the benefit set forth in Article 7.
- 1.41 “Trust” shall mean the trust established pursuant to that certain Master Trust Agreement, dated as of August 6, 1999, between the Company and the trustee named therein, as amended from time to time.
- 1.42 “Unforeseeable Financial Emergency” shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Code section 152) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. A withdrawal on account of an Unforeseeable Emergency may be paid to the Participant only if the amounts distributed with respect to an emergency do not exceed the amounts necessary to satisfy such emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or by cessation of deferrals under this Plan. This section shall be interpreted in a manner consistent with Code section 409A and applicable provisions of the Treasury Regulations.
- 1.43 “Years of Service” shall mean the total number of full years in which a Participant has been employed by one or more Employers. For purposes of this definition, a year of employment shall be a 365-day period (or 366-day period in the case of a leap year) that, for the first year of employment, commences on the Employee's date of hiring and that, for any subsequent year, commences on an anniversary of that hiring date. Any partial year of employment shall not be counted.

ARTICLE 2

Selection, Enrollment, Eligibility

- 2.1 **Selection by Committee.** Participation in the Plan shall be limited to a select group of management or highly compensated Employees of the Employers, as membership in such group is determined by the Committee, in accordance with Section 201(2), 301(a)(3) and 401(a)(1) of ERISA, in its sole discretion. From that group, the Committee shall select, in its sole discretion, Employees to participate in the Plan.
- 2.2 **Enrollment Requirements.** As a condition to participation, each selected Employee shall complete, execute and return to the Committee a Deferral Agreement, an Election

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Form and a Beneficiary Designation Form in order for a Deferment Agreement to be valid, the Deferment Agreement and related documents must be received by the Committee not later than a date specified by the Committee which shall not be later than December 31 of the year prior to the year with respect to which the Deferment Agreement is to be effective; provided, however, that if an Employee is first designated as eligible to participate in this Plan prior to October 1 of a calendar year, he or she may make an initial deferral election within the first 30 days after the date on which the Employee is notified of his or her eligibility to participate and such election shall apply to compensation for services provided during the period running from the first day of the month following the month in which the Employee completes all enrollment requirements until December 31 of that year. In addition, the Committee shall establish from time to time such other enrollment requirements as it determines, in its sole discretion.

- 2.3 **Eligibility; Commencement of Participation.** Provided an Employee selected to participate in the Plan has met all enrollment requirements set forth in this Plan and required by the Committee, including returning all required documents to the Committee within the specified time period, that Employee shall commence participation in the Plan on the first day of the month following the month in which the Employee completes all enrollment requirements. If an Employee fails to meet all such requirements within the period required, in accordance with Section 2.2, that Employee shall not be eligible to participate in the Plan until the first day of the Plan Year following the delivery to and acceptance by the Committee of the required documents.
- 2.4 **Termination of Participation and/or Deferrals.** If the Committee determines in good faith that a Participant is still an Employee, but no longer qualifies as a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, the Committee shall have the right, in its sole discretion, to prevent the Participant from making future deferral elections with respect to future Plan Years.

ARTICLE 3

Deferral Commitments/Company Matching/Interest Crediting/Taxes

3.1 **Minimum Deferral.**

- (a) **Annual Deferral Amount.** For each Plan Year, a Participant may elect to defer, as his or her Annual Deferral Amount, Base Annual Salary, Annual Bonus and Extraordinary Income provided that the minimum amount deferred from all sources shall not be less than \$2,000. If an election is made for less than the minimum, or if a percentage election results in an amount less than the minimum, or if no election is made, the amount deferred shall be zero.

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- (b) **Short Plan Year.** Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, the minimum Base Annual Salary deferral shall be an amount equal to the minimum set forth above, multiplied by a fraction, the numerator of which is the number of complete months remaining in the Plan Year and the denominator of which is 12.

3.2 **Maximum Deferral.**

- (a) For each Plan Year, a Participant may elect to defer, as his or her Annual Deferral Amount, Base Annual Salary, Annual Bonus and Extraordinary Income up to the following maximum percentages for each deferral elected:

Deferral	Maximum Amount
Base Annual Salary	50%
Annual Bonus	100%
Extraordinary Income	100%

Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, the maximum Annual Deferral Amount with respect to Base Annual Salary, Annual Bonus and Extraordinary Income shall be limited to the amount of compensation earned by the Participant starting with the first day of the month following the date on which the Participant submits a Deferral Agreement and Election Form to the Committee for acceptance; provided, however, that in the case of compensation that is based upon a specified performance period (e.g., an Annual Bonus) where a deferral election is made in the first year of eligibility but after the beginning of the performance period the election shall apply to no more than an amount equal to (i) the total amount of the compensation for the performance period multiplied by (ii) a fraction the numerator of which is the number of days remaining in the performance period after the election and the denominator of which is the total number of days in the performance period.

3.3 **Election to Defer: Effect of Election Form.**

- (a) **First Plan Year.** In connection with a Participant's commencement of participation in the Plan, the Participant shall make an irrevocable deferral election for the Plan Year in which the Participant commences participation in the Plan, along with such other elections as the Committee deems necessary or desirable under the Plan. For these elections to be valid, the Election Form must be completed and signed by the Participant, timely delivered to the Committee (in accordance with Section 2.2 above) and accepted by the Committee.

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- (b) **Subsequent Plan Years.** For each succeeding Plan Year, an irrevocable deferral election for that Plan Year, and such other elections as the Committee deems necessary or desirable under the Plan, shall be made by timely delivering to the Committee, in accordance with its rules and procedures before the end of the Plan Year preceding the Plan Year for which the election is made, a new Election Form. If no such Election Form is timely delivered for a Plan Year, the Annual Deferral Amount shall be zero for that Plan Year.
- 3.4 **Annual Deferral Amounts.** For each Plan Year, the Base Annual Salary portion of the Annual Deferral Amount shall be withheld from each regularly scheduled Base Annual Salary payroll in equal amounts, as adjusted from time to time for increases and decreases in Base Annual Salary. The Annual Bonus and Extraordinary Income portion of the Annual Deferral Amount shall be withheld at the time the Annual Bonus and Extraordinary Income is or otherwise would be paid to the Participant for services rendered during said Plan Year, whether or not this occurs during the Plan Year itself.
- 3.5 **Annual Company Contribution Amount.** For each Plan Year, an Employer, in its sole discretion, may, but is not required to, credit any amount it desires to any Participant's Company Contribution Account, which amount shall be for that Participant the Annual Company Contribution Amount for that Plan Year. The amount so credited to a Participant may be smaller or larger than the amount credited to any other Participant, and the amount credited to any Participant for a Plan Year may be zero, even though one or more other Participants receive an Annual Company Contribution Amount for that Plan Year. The Annual Company Contribution Amount, if any, shall be credited as of the last day of the Plan Year.
- 3.6 **Annual Company Matching Amount.** If, with respect to a Participant for a Plan Year, the cumulative total of the "Before-tax Deposits" (as defined in the 401(k) Plan) under the 401(k) Plan has reached the maximum amount permissible, consistent with Section 402(g) of the Code and the limitations of Section 401(k)(3) of the Code, then a Company Matching Amount shall be made for the Plan Year equal to 60% of the Participant's Annual Deferral Amount for such Plan Year, with respect to an Annual Deferral Amount that does not exceed 6% of the Participant's Base Annual Salary, reduced by the amount of any matching contributions made to the 401(k) Deferred Compensation Plan on his or her behalf for the plan year of the 401(k) Plan that corresponds to the Plan Year. In the event of Retirement or death, a Participant shall be credited with the Annual Company Matching Amount for the Plan Year in which he or she Retires or dies, provided that, prior to the date of Retirement or death, cumulative total of the "Before-Tax Deposits" under the 401(k) Plan has reached the maximum amount permissible, consistent with the limitations of Sections 402(g) and 401(k)(3) of the Code.

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- 3.7 **Rollover Amount.** If a Participant had an account balance in the Cross Pointe Papers Corporation Deferred Compensation Plan (the "CPPC Plan"), the Company transferred the Participant's CPPC Plan account balance, as determined as of October 1, 1998, and added it to the Participant's Account Balance under this Plan. The CPPC Plan account balance has been governed by the terms and conditions of this Plan, and shall be referred to as the "Rollover Amount." In addition, any elections made by the Participant with respect to his or her account balance under the CPPC Plan shall apply to the Rollover Amount under this Plan and any elections made by the Participant with respect to his or her annual deferral amount for the plan year of transfer under the CPPC Plan shall apply to the Participant's Annual Deferral Amount for the Plan Year of transfer under this Plan.
- 3.8 **Investment of Trust Assets.** The Trustee of the Trust shall, upon written instructions received from the Committee or investment manager appointed by the Committee, invest and reinvest the assets of the Trust in accordance with the applicable Trust Agreement.
- 3.9 **Interest Crediting Prior to Distribution.** Except as provided below, prior to any distribution of benefits under Articles 4, 5, 6, 7 or 8, interest at the Crediting Rate shall be credited and compounded annually on (i) a Participant's Deferral Account as though the Base Annual Salary, Annual Bonus and Extraordinary Income portions of the Annual Deferral Amount for that Plan Year was withheld on the first day of the month in which the amount deferred is actually withheld and deferred, (ii) on a Participant's Company Contribution Account as though the Annual Company Contribution Amount, if any, was credited at the end of the Plan Year to which it relates and (iii) on a Participant's Company Matching Account as though one twelfth (1/12) of the Annual Company Matching Amount, if any, was credited on the first day of each month of the Plan Year to which it relates. If a Participant's commencement of participation in the Plan is other than the first day of the Plan Year, then interest crediting for the Base Annual Salary portion of the Annual Deferral Amount shall commence as of the date that the Participant commences participation in the Deferred Compensation Plan. If the Participant Retires, dies, or experiences a Separation from Service prior to the end of the Plan Year, the Annual Company Contribution, if any, for the Plan Year in which such event occurs shall be treated as having been credited as of the date of such event. If a distribution is made under this Plan, for purposes of crediting interest up to the time of the distribution, the Participant's Account Balance shall be reduced as of the first day of the month in which the distribution is made.
- 3.10 **Interest Crediting for Installment Distributions.** If a Participant's benefits under this Plan are to be paid in substantially equal monthly installments, such payments shall be re-amortized at the beginning of each Plan Year, and determined by amortizing the Participant's specified benefit over the number of remaining months elected, using the Crediting Rate for such Plan Year, and treating the first installment payment as all principal and each subsequent installment payment, first as interest accrued for the

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applicable installment period on the unpaid Account Balance, and second as a reduction in the Account Balance.

3.11 **FICA and Other Taxes.**

- (a) **Annual Deferral Amounts.** For each Plan Year in which an Annual Deferral Amount is being first withheld from a Participant, the Participant's Employer(s) shall withhold from that portion of the Participant's Base Annual Salary and Bonus that is not being deferred, in a manner determined by the Employer(s), the Participant's share of FICA and other employment taxes on such Annual Deferral Amount. If necessary, the Committee may reduce the Annual Deferral Amount in order to comply with this Section 3.11.
- (b) **Company Contribution Amounts.** When a participant becomes vested in a portion of his or her Company Contribution Account, the Participant's Employer(s) shall withhold from the Participant's Base Annual Salary and Bonus that is not deferred, in a manner determined by the Employer(s), the Participant's share of FICA and other employment taxes. If necessary, the Committee may reduce the vested portion of the Participant's Company Contribution Account in order to comply with this Section 3.11.
- (c) **Distributions.** The Participant's Employer(s), or the trustee of the Trust, shall withhold from any payments made to a Participant under this Deferred Compensation Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer(s), or the trustee of the Trust, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer(s) and the trustee of the Trust.
- (d) **Vesting.** Participant shall at all times be 100% vested in his or her Account Balance.

ARTICLE 4

Short-Term Payout: Unforeseeable Financial Emergencies; Withdrawal Election

- 4.1 **Short Term Payout.** In connection with each election to defer an Annual Deferral Amount, a Participant may irrevocably elect at the time when the deferral election is made to receive a future Short-Term Payout from the Plan with respect to all or any portion of such Annual Deferral Amount. Subject to the Deduction Limitation, the Short-Term Payout shall be a lump sum payment in an amount that is equal to all or any portion of the Annual Deferral Amount plus interest credited in the manner provided in Section 3.9 above on that amount using the applicable interest rate set forth in Section 1.18. Subject to the Deduction Limitation and the other terms and conditions of

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this Plan, each Short-Term Payout elected shall be paid during the period of 60 days beginning on January 1 of the Plan Year designated by the Participant. The Plan Year designated by the Participant must be at least three Plan Years after the Plan Year with respect to which the Annual Deferral Amount is actually deferred. The Short-Term Payout election is irrevocable and the amount subject to the Short-Term Payout election will be paid in accordance with the election.

- 4.2 **Other Benefits Take Precedence Over Short-Term Payout.** Should an event occur that triggers a benefit under Article 5, 6, 7 or 8, any Annual Deferral Amount, plus interest thereon, that is subject to a Short-Term Payout election under Section 4.1 shall not be paid in accordance with Section 4.1, but shall be paid in accordance with the other applicable Article.
- 4.3 **Withdrawal Payout/Suspensions for Unforeseeable Financial Emergencies.** If the Participant experiences an Unforeseeable Financial Emergency, the Participant may petition the Committee to (i) suspend any deferrals required to be made by a Participant and/or (ii) receive a partial or full payout from the Deferred Compensation Plan. The payout shall not exceed the lesser of the Participant's Account Balance, calculated as if such Participant were receiving a Termination Benefit, or the amount reasonably needed to satisfy the Unforeseeable Financial Emergency. If, subject to the sole discretion of the Committee, the petition for a suspension and/or payout is approved, suspension shall take effect upon the date of approval and any payout shall be made during the 60-day period beginning on the day after the date of approval. The payment of any amount under this Section 4.3 shall not be subject to the Deduction Limitation.
- 4.4 **One-Time Opportunity to Change Election.** A Participant who has made an election as the form of payment prior to December 1, 2008 may, in accordance with rules and procedures established by the Company, amend elections as to the time and form of distribution in accordance with Internal Revenue Service Notice 2005-1; Section XI of the Preamble to the Proposed Regulations under Section 409A, 70 Fed. Reg. 57930; Internal Revenue Service Notice 2006-79; and Internal Revenue Service Notice 2007-86.

ARTICLE 5

Retirement Benefit

- 5.1 **Retirement Benefit.** Subject to the Deduction Limitation, a Participant who Retires shall receive, as a Retirement Benefit, his or her Account Balance, in accordance with this Article 5.

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5.2 Payment of Retirement Benefit.

- (a) The Participant shall elect, separately with respect to each Annual Deferral Amount, to receive a Retirement Benefit in the form of either (i) a lump sum, (ii) substantially equal monthly installments (determined in accordance with Section 3.9 above) over a period designated by the Participant consisting of 60, 120 or 180 months or (iii) a combination of a lump sum and one choice of equal monthly installments over a period of 60, 120 or 180 months. Commencement of the payout shall occur during the 60-day period beginning on the day after the date of Retirement.
- (b) An election of a form of distribution for the Retirement Benefit may be amended provided that all of the following requirements are met:
 - (i) The amendment of the election for the method of distribution shall not take effect until at least 12 months after the date on which such amendment is made;
 - (ii) In the case of an amendment of an election related to a payment not made on account of the Participant's death or Disability or an Unforeseeable Emergency, the first payment with respect to which the amendment is made shall in all cases be deferred for a period of not less than 5 years from the date on which such payment otherwise would have been made;
 - (iii) In the case of an amendment of an election related to a payment that is to be made at a specified time or pursuant to a fixed schedule, such an amendment of the election must be made at least 12 months prior to the date of the first scheduled payment.
- (c) If a Participant does not make an election with respect to the method of payment for a Retirement Benefit, then the Retirement Benefit shall be paid in a lump sum. Any payment shall be subject to the Deduction Limitation.
- (d) Notwithstanding any other provision herein in the case of a "specified employee" (as defined in Code Section 409A(a)(2)(B)(i) and applicable regulations) distribution upon Retirement shall be made or shall commence within the 30-day period beginning on the first day of the seventh month after the month in which occurs the Retirement (or, if earlier, the date of death of the Participant).

- 5.3 Death Prior to Completion of Retirement Benefit. If a Participant dies after Retirement but before the Retirement Benefit is paid in full, the Participant's unpaid Retirement Benefit payments shall be paid to the Participant's Beneficiary over the remaining number of months and in the same amounts as that benefit would have been paid to the

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Participant had the Participant survived that is equal to the Participant's unpaid remaining Account Balance.

ARTICLE 6

Pre-Retirement Survivor Benefit

- 6.1 **Pre-Retirement Survivor Benefit.** Subject to the Deduction Limitation, the Participant's Beneficiary shall receive a Pre-Retirement Survivor Benefit equal to the Participant's Account Balance, in accordance with this Article 6, if the Participant dies before he or she (a) Retires, (b) experiences a Separation from Service or (c) suffers a Disability.
- 6.2 **Payment of Pre-Retirement Survivor Benefit.** The Participant, in connection with his or her commencement of participation in the Plan, and on each subsequent Election Form for subsequent calendar years, shall elect on an Election Form the method of distribution of the Pre-Retirement Survivor Benefit. The method of distribution for the Pre-Retirement Survivor Benefit shall be either a lump sum or substantially equal monthly installments (the latter determined in accordance with Section 3.9 above) over a period of 60, 120 or 180 months. The Payout Commencement Date for the Pre-Retirement Survivor Benefit must be on or after the date the Committee receives proof that is acceptable to the Committee of the Participant's death. The Participant may change the method of distribution of the Pre-Retirement Survivor Benefit to any method of distribution provided herein, even if a change results in acceleration of the time of payment, by submitting a new Election Form to the Committee, provided that any such Election Form is submitted at least 1 year prior to the Participant's death. The Election Form most recently accepted by the Committee and which was filed at least one year prior to the death of the Participant shall govern the method of distribution of the Pre-Retirement Survivor Benefit. If a Participant does not make any election with respect to the method of distribution for the Pre-Retirement Survivor Benefit, then the Pre-Retirement Survivor Benefit shall be payable to the Participant's Beneficiary in a lump sum. The lump sum payment shall be made, or installment payments shall commence, to the Participant's Beneficiary during the 60-day period beginning on the day after the Payout Commencement Date for the Pre-Retirement Survivor Benefit. Any payment made shall be subject to the Deduction Limitation.

ARTICLE 7

Termination Benefit

- 7.1 **Termination Benefit.** Subject to the Deduction Limitation, the Participant shall receive a Termination Benefit, which shall be equal to the Participant's Account Balance, in accordance with this Article 7, with interest credited in the manner provided in Section 3.9 above, if a Participant experiences a Separation from Service prior to his or her Retirement, death or Disability.

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- 7.2 **Payment of Termination Benefit.** In general, the method of distribution of the Termination Benefit shall be a lump sum payable during the 60-day period beginning on the day after the date of the Participant's Separation from Service. Any payment made shall be subject to the Deduction Limitation.
- 7.3 **Specified Employees.** Notwithstanding any other provision herein, in the case of a "specified employee" (as defined in Code Section 409A(a)(2)(B)(i) and applicable regulations) distribution upon Separation from Service or upon Disability shall be made within the 30-day period beginning on the first day of the seventh month after the month in which occurs the Separation from Service (or if earlier, the date of death of the Participant).

ARTICLE 8

Beneficiary Designation

- 8.1 **Beneficiary.** Each Participant shall have the right, at any time, to designate his or her Beneficiary (both primary as well as contingent) to receive any benefits payable under the Plan to a beneficiary upon the death of a Participant. The Beneficiary designated under this Plan may be the same as or different from the beneficiary designation under any other plan of an Employer in which the Participant participates.
- 8.2 **Beneficiary Designation; Change.** A Participant shall designate his or her Beneficiary by completing and signing the Beneficiary Designation Form, and returning it to the Committee or its designated agent. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Committee's rules and procedures, as in effect from time to time. Upon the acknowledgment by the Committee of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Committee shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Committee prior to his or her death.
- 8.3 **Acceptance.** No designation or change in designation of a Beneficiary shall be effective until received and acknowledged in writing by the Committee or its designated agent.
- 8.4 **No Beneficiary Designation.** If a Participant fails to designate a Beneficiary as provided in Sections 8.1, 8.2 and 8.3 above or if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then amounts remaining in the Participant's Account Balance will be paid to his or her surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan to be paid to a Beneficiary shall be payable to the executor or personal representative of the Participant's estate.

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- 8.5 **Discharge of Obligations.** The payment of benefits under the Deferred Compensation Plan to a Beneficiary shall fully and completely discharge all Employers and the Committee from all further obligations under this Plan with respect to the Participant, and that Participant's Deferment Agreement shall terminate upon such full payment of benefits.

ARTICLE 9 **Leave of Absence**

- 9.1 **Paid Leave of Absence.** If a Participant is authorized by the Participant's Employer for any reason to take a paid leave of absence from the employment of the Employer, the Participant shall continue to be considered employed by the Employer and the Annual Deferral Amount shall continue to be withheld during such paid leave of absence in accordance with Section 3.3.
- 9.2 **Unpaid Leave of Absence.** If a Participant is authorized by the Participant's Employer for any reason to take an unpaid leave of absence from the employment of the Employer, the Participant shall continue to be considered employed by the Employer and the Participant shall be excused from making deferrals until the earlier of the date the leave of absence expires or the Participant returns to a paid employment status. Upon such expiration or return, deferrals shall resume for the remaining portion of the Plan Year in which the expiration or return occurs, based on the deferral election, if any, made for that Plan Year. If no election was made for that Plan Year in which the leave of absence expires or the Participant returns to a paid employment status, no deferral shall be withheld.

ARTICLE 10 **Termination, Amendment or Modification**

- 10.1 **Amendment and Termination.** The Company reserves the right to amend, modify and/or terminate the Plan at any time, but no such amendment or termination shall adversely affect any Participant's right to compensation previously deferred or to previously credited Rollover Amounts, Annual Company Matching Amounts or Annual Company Contribution Amounts or earnings thereon. Any amendment shall be in writing and duly adopted by a resolution of the Board of Directors of the Company, or by an officer or officers to whom the Board of Directors has delegated the authority to adopt the amendment. Further, the provisions of the Trust may not be amended or modified except by the written consent of both the Company and the Trustee.
- 10.2 **Deferment Agreement.** Despite the provisions of Section 10.1, above, if a Participant's Deferment Agreement contains benefits or limitations that are not in this Plan document, the Employer may only amend or terminate such provisions with the consent of the Participant.

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- 10.3 **Interest Rate in the Event of a Change in Control.** If a Change in Control occurs, the applicable interest rate to be used in determining a Participant's benefit in connection with a Separation from Service after the Change in Control, or a Deferred Compensation Plan termination, amendment or modification under Section 10.1, shall be the Crediting Rate. However, the Moody's Rate for the Plan Year in which the Change of Control occurs, and not the Crediting Rate, shall be used as the discount rate for determining present value under this Plan.
- 10.4 **Effect of Payment.** The full payment of the applicable benefit under Section 4.4 or Articles 5, 6, 7 or 8 of the Plan shall completely discharge all obligations to a Participant and his or her Beneficiary under this Plan, their heirs and assigns, and the Participant's Deferment Agreement shall terminate.

ARTICLE 11

Administration

- 11.1 **Committee Duties.** Except as otherwise provided in this Article 11, this Plan shall be administered by a Committee, which shall consist of the Board, or such committee as the Board shall appoint. Members of the Committee may be Participants under this Plan. The Committee shall also have the discretion and authority to (i) make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and (ii) decide or resolve any and all questions including interpretations of this Plan, as may arise in connection with the Plan. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the Committee shall be entitled to rely on information furnished by a Participant or the Company.
- 11.2 **Administration Upon Change In Control.** For purposes of this Plan, the Company shall be the "Administrator" at all times prior to the occurrence of a Change in Control. Upon and after the occurrence of a Change in Control, the "Administrator" shall be an independent third party selected by the Trustee and approved by the individual who, immediately prior to such event, was the Company's Chief Executive Officer or, if not so identified, the Company's highest ranking officer (the "Ex-CEO"). The Administrator shall have the discretionary power to determine all questions arising in connection with the administration of the Plan and the interpretation of the Plan and Trust including, but not limited to benefit entitlement determinations; provided, however, upon and after the occurrence of a Change in Control, the Administrator shall have no power to direct the investment of Plan or Trust assets or select any investment manager or custodial firm for the Plan or Trust. Upon and after the occurrence of a Change in Control, the Company must: (1) pay all reasonable administrative expenses and fees of the Administrator; (2) indemnify the Administrator against any costs, expenses and liabilities including, without limitation, attorney's fees and expenses arising in connection with the performance of the Administrator hereunder, except with respect to matters resulting

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from the gross negligence or willful misconduct of the Administrator or its employees or agents; and (3) supply full and timely information to the Administrator on all matters relating to the Plan, the Trust, the Participants and their Beneficiaries, the Account Balances of the Participants, the date or circumstances of the Retirement, Disability, death or Separation from Service of the Participants, and such other pertinent information as the Administrator may reasonably require. Upon and after a Change in Control, the Administrator may be terminated (and a replacement appointed) by the Trustee only with the approval of the Ex-CEO. Upon and after a Change in Control, the Administrator may not be terminated by the Company.

- 11.3 **Agent.** In the administration of this Deferred Compensation Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to any Employer.
- 11.4 **Binding Effect of Decisions.** The decision or action of the Administrator with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.
- 11.5 **Indemnity of Committee.** All Employers shall indemnify and hold harmless the members of the Committee, and any Employee to whom duties of the Committee may be delegated, and the Administrator against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct by the Committee, any of its members, any such Employee or the Administrator.
- 11.6 **Employer Information.** To enable the Committee and/or Administrator to perform their functions, the Company and each Employer shall supply full and timely information to the Committee and/or Administrator, as the case may be, on all matters relating to the compensation of its Participants, the date and circumstances of the Retirement, Disability, death or Separation from Service of its Participants, and such other pertinent information as the Committee and/or Administrator may reasonably require.

ARTICLE 12

Other Benefits and Agreements

- 12.1 **Coordination with Other Benefits.** The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Participant's Employer. Benefits under this Plan are not contingent on the Participant's participating or not participating in the 401(k) Plan, except as permitted by Treasury Regulations

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Section 1.401(k)-1(e)(6). The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

ARTICLE 13 **Claims Procedures**

13.1 Claims.

- (a) **Presentation of Claim.** Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Committee a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan, where the amounts are not payable upon Disability. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within 60 days after such notice was received by the Claimant. The claim must state with particularity the determination desired by the Claimant. All other claims must be made within 180 days after the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant. If a claim is not timely filed, then the Committee shall be free to act as if there were no claim, and its actions will be binding on the claimant.
- (b) **Notification of Decision.** The Committee shall consider a Claimant's claim within a reasonable time, and shall notify the Claimant in writing:
 - (i) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or
 - (ii) that the Committee has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:
 - (A) the specific reason(s) for the denial of the claim, or any part of it;
 - (B) specific reference(s) to pertinent provisions of this Plan document upon which such denial was based;
 - (C) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and
 - (D) an explanation of the claim review procedure set forth in subsection 13.3 below.

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- (c) **Review of a Denied Claim.** Within 60 days after receiving a notice from the Committee that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Committee a written request for a review of the denial of the claim. Thereafter, but not later than 30 days after the review procedure began, the Claimant (or the Claimant's duly authorized representative):
- (i) may review pertinent documents;
 - (ii) may submit written comments or other documents; and/or
 - (iii) may request a hearing, which the Committee, in its sole discretion, may grant.
- (d) **Decision on Review.** The Committee shall render its decision on review promptly, and not later than 60 days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Committee's decision must be rendered within 120 days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:
- (i) specific reasons for the decision;
 - (ii) specific reference(s) to the pertinent Plan provisions upon which the decision was based; and
 - (iii) such other matters as the Committee deems relevant.

- 13.2 **Legal Action.** A Claimant's compliance with the foregoing provisions of this Article 13 is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits under this Plan.

ARTICLE 14

Trust

- 14.1 **Establishment of the Trust.** Subject to Section 14.2, the Company may establish a Trust, and each Employer may transfer over to the Trust such assets as the Employer determines, in its sole discretion, are necessary to provide, on a present value basis, for its respective future liabilities created with respect to the Annual Deferral Amounts, Annual Company Contribution Amounts, Annual Company Matching Amounts and interest credits for those amounts for all periods prior to the transfer, as well as any debits and credits to the Participants' Account Balances for all periods prior to the transfer, taking into consideration the value of the assets in the trust at the time of the transfer.

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- 14.2 **Interrelationship of the Deferred Compensation Plan and the Trust.** The provisions of the Plan and the Deferment Agreement shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Employers, Participants and the creditors of the Employers to the assets transferred to the Trust. Each Employer shall at all times remain liable to carry out its obligations under the Plan.
- 14.3 **Distributions From the Trust.** Subject to Section 15.2, each Employer's obligations under the Deferred Compensation Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Employer's obligations under this Agreement.

ARTICLE 15

Miscellaneous

- 15.1 **Status of Deferred Compensation Plan.** The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and that "is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intent.
- 15.2 **Unsecured General Creditor.** Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of an Employer. For purposes of the payment of benefits under this Plan, any and all of an Employer's assets, including all assets transferred to the Trust, shall be, and remain, the general, unpledged unrestricted assets of the Employer. An Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.
- 15.3 **Employer's Liability.** An Employer's liability for the payment of benefits shall be defined only by the Plan and the Deferment Agreement, as entered into between the Employer and a Participant. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan and his or her Deferment Agreement.
- 15.4 **Nonassignability.** Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a

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Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

- 15.5 **Furnishing Information.** A Participant or his or her Beneficiary will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.
- 15.6 **Terms.** Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.
- 15.7 **Captions.** The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 15.8 **Governing Law.**
- (a) Subject to ERISA and the Code, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of Maine without regard to its conflicts of law principles.
 - (b) It is the intention of the Company that this Plan shall meet the requirements of Code Section 409A and applicable Treasury Regulations that must be met in order for amounts of compensation deferred under this Plan to be taxable, for purposes of federal income taxation, in the year of actual receipt by the Participant or Beneficiary. If any provision of this Plan is susceptible of two interpretations, one of which results in the compliance of the Plan with Code Section 409A and the applicable Treasury Regulations, and one of which does not, then the provision shall be given the interpretation that results in compliance with Section 409A and the applicable Treasury Regulation.
- 15.9 **Notice.** Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

Director, Pension Administration
Fraser Papers Limited
82 Bridge Avenue
Madawaska, ME 04756

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Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail or by nationally recognized private air delivery service, to the last known address of the Participant.

- 15.10 **Successors.** All obligations of the Company under the Plan shall be binding upon and inure to the benefit of any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.
- 15.11 **Spouse's Interest.** The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.
- 15.12 **Validity.** In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.
- 15.13 **Incompetent.** If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.
- 15.14 **Court Order.** The Committee is authorized to make any payments directed by court order in any action in which the Plan or the Committee has been named as a party. In addition, if a court issues a "domestic relations order" (as defined in Code section 414(p)(1)(B)) relating to payments under this Plan, then the Committee, shall take all appropriate steps to comply with the order.
- 15.15 **Distribution in the Event of Taxation.**
- (a) **General.** If, for any reason, all or any portion of a Participant's benefit under this Plan becomes taxable to the Participant prior to receipt, a Participant's Employer shall distribute to the Participant immediately available funds in an amount equal to the taxable portion of his or her benefit (which amount shall not exceed a

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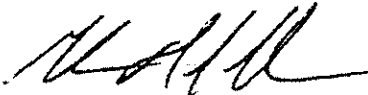
Participant's unpaid Account Balance under the Plan). This tax liability distribution shall be made within 90 days after the date when the Participant requests the distribution. Such a distribution shall affect and reduce the benefits to be paid under this Plan.

- 15.16 **Insurance.** The Employers, on their own behalf or on behalf of the trustee of the Trust, and, in their sole discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as the Trust may choose. The Employers or the trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Employers shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to whom the Employers have applied for insurance.
- 15.17 **Legal Fees To Enforce Rights After Change in Control.** The Company and each Employer is aware that upon the occurrence of a Change in Control, the Board or the board of directors of the Participant's Employer (which might then be composed of new members) or a shareholder of the Company or the Participant's Employer, or of any successor corporation might then cause or attempt to cause the Company or the Participant's Employer or such successor to refuse to comply with its obligations under the Plan and might cause or attempt to cause the Company or the Participant's Employer to institute, or may institute, litigation seeking to deny Participants the benefits intended under the Plan. In these circumstances, the purpose of the Plan could be frustrated. Accordingly, if, following a Change in Control, it should appear to any Participant that the Company, the Participant's Employer or any successor corporation has failed to comply with any of its obligations under the Plan or any agreement thereunder or, if the Company, such Employer or any other person takes any action to declare the Plan void or unenforceable or institutes any litigation or other legal action designed to deny, diminish or to recover from any Participant the benefits intended to be provided, then the Company and the Participant's Employer irrevocably authorize such Participant to retain counsel of his or her choice at the expense of the Company and the Employer (who shall be jointly and severally liable) to represent such Participant in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company, the Participant's Employer or any director, officer, shareholder or other person affiliated with the Company, the Participant's Employer or any successor thereto in any jurisdiction. Such legal expenses shall be reimbursed to the Participant by the Company no later than the end of the calendar year following the year in which the legal expenses are incurred.

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IN WITNESS WHEREOF, the Company has adopted this Deferred Compensation Plan document as of December 22, 2008.

FRASER PAPERS LIMITED
(Company)

By: 
Name: Glen McMillan
Title: Secretary

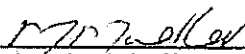
By: 
Name: Marina Mueller
Title: Assistant Secretary

EXHIBIT L

151-3600

To Susan Stoner - Susan, doing copy for
M10-185-270. I'm sending second copy to Susan

DEFERRED COMPENSATION PLAN TRUST AGREEMENT

FOR

FRASER PAPERS INC.

by and between

FRASER PAPERS INC.

and

MELLON BANK, N.A.

**DEFERRED COMPENSATION PLAN TRUST AGREEMENT
FOR
FRASER PAPERS INC.**

THIS AGREEMENT made this 2nd day of February, ²⁰⁰⁰~~1999~~¹⁸, by and between FRASER PAPERS INC. ("Company") and MELLON BANK, N.A. ("Trustee").

WHEREAS, the Company has adopted the nonqualified deferred compensation Plans listed in Appendix A (collectively referred to as the "Plan");

WHEREAS, the Company has incurred or expects to incur liability under the terms of such Plan with respect to the individuals participating in such Plan (individually a "Participant" and collectively the "Participants");

WHEREAS, the Company wishes to establish a trust (the "Trust") and to contribute to the Trust the assets that shall be held therein, subject to the claims of the Company's creditors in the event of the Company's insolvency, as herein defined, until paid to Participants and their beneficiaries in such manner and at such times as specified in the Plan;

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended; and

WHEREAS, it is the intention of the Company to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plan.

NOW THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

Section 1. Establishment of Trust.

- (a) The Company hereby establishes the Trust with the Trustee, consisting of such sums of money and other property acceptable to the Trustee as from time to time shall be paid and delivered to and accepted by the Trustee from the Company. The Trustee shall have no duty to determine or collect contributions under the Plan and shall have no responsibility for any property until it is received and accepted by the Trustee. The Company shall have the sole duty and responsibility for the determination of the accuracy or sufficiency of the contributions to be made under the Plan.

All such money and other property paid or delivered to and accepted by the Trustee shall become the principal of the Trust to be held, administered and disposed of by the Trustee as provided in this Trust Agreement.

- (b) The Trust hereby established shall be irrevocable.
- (c) The Trust is intended to be a grantor trust, of which the Company is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.
- (d) The principal of the Trust, and any earnings thereon shall be held separate and apart from other funds of the Company and shall be used exclusively for the uses and purposes of the Participants and general creditors as herein set forth. The Participants and their beneficiaries shall have no preferred claim on, nor any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan and this Trust Agreement shall be mere unsecured contractual rights of the Participants and their beneficiaries against the Company. Any assets held by the Trust will be subject to the claims of the Company's general creditors under federal and state law in the event of insolvency, as defined in Section 3(a) herein.
- (e) The Company, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property in trust with the Trustee to augment the principal to be held, administered and disposed of by the Trustee as provided in this Trust Agreement. Neither the Trustee nor any Participant or beneficiary shall have any right to compel such additional deposits.
- (f) The Company represents and warrants to the Trustee that the Plan covers, and will cover, only a select group of management or highly compensated employees as contemplated by Section 401(a) of ERISA and

interpretations, opinions, and rulings of the Department of Labor thereunder. The Company shall indemnify and hold harmless the Trustee, its parent, subsidiaries and affiliates and each of their respective officers, directors, employees and agents from and against all liability, loss and expense, including reasonable attorneys' fees and expenses suffered or incurred by any of the foregoing indemnities as a result of a breach of the foregoing representation and warranty. The provisions of this subsection shall survive termination of this Agreement.

Section 2. Payments to Plan Participants and Their Beneficiaries.

- (a) The Company shall deliver to the Trustee a schedule (the "Payment Schedule") that indicates the amounts payable in respect of each Participant (and his or her beneficiaries), that provides a formula or other instructions acceptable to the Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plan), and the time of commencement for payment of such amounts. Except as otherwise provided herein, the Trustee shall make payments to the Participants and their beneficiaries in accordance with such Payment Schedule.

It is the intent of the Company and the Trustee that the Company shall be responsible for determining and effecting all federal, state and local tax aspects of the Plan and the Fund, including without limitation income taxes payable on the Fund's income, if any, any required withholding of income or other payroll taxes in connection with the payment of benefits from the Fund pursuant to the Plan, and all reporting required in connection with any such taxes. To the extent that the Company is required by applicable law to pay or withhold such taxes or to file such reports, such obligation shall be a responsibility allocated to the Company, as the case may be, hereunder. To the extent the Trustee is required by applicable law to pay or withhold such taxes or to file such reports, the Company shall inform the Trustee of such obligation, shall direct the Trustee with respect to the performance of such obligations and shall provide the Trustee with all information required by the Trustee to meet such obligations.

- (b) The entitlement of a Participant or his or her beneficiaries to benefits under the Plan shall be determined by the Company or such party as it shall designate under the Plan, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plan. The Company shall notify the Trustee of such determination and shall direct commencement of payments of such benefits.

- (c) The Company may make payment of benefits directly to the Participants or their beneficiaries as they become due under the terms of the Plan. The Company shall notify the Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to Participants or their beneficiaries. In addition, if the principal of the Trust, together with any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plan, the Company shall immediately make up the balance of each such payment as it falls due. The Trustee shall notify the Company when principal and earnings are not sufficient.

Section 3. Trustee Responsibility Regarding Payments to Trust Beneficiary When Company is Insolvent.

- (a) The Trustee shall cease payment of benefits to the Participants and their beneficiaries if the Company is Insolvent. The Company shall be considered "Insolvent" for purposes of this Trust Agreement if (i) the Company is unable to pay its debts as they become due, or (ii) the Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.
- (b) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of the Company under federal and state law as set forth below.
 - (1) The Board of Directors and the Chief Executive Officer of the Company shall have the duty to inform the Trustee in writing of the Company's Insolvency. If a person claiming to be a creditor of the Company alleges in writing to the Trustee that the Company has become Insolvent, the Trustee shall determine whether the Company is Insolvent and, pending such determination, the Trustee shall discontinue payment of benefits to the Participants or their beneficiaries. In all cases, the Trustee shall be entitled to conclusively rely upon the written certification of the Board of Directors or the Chief Executive Officer of the Company when determining whether the Company is Insolvent.
 - (2) Unless the Trustee has actual knowledge of the Company's Insolvency, or has received notice from the Company or a person claiming to be a creditor alleging that the Company is Insolvent, the Trustee shall have no duty to inquire whether the Company is Insolvent. The Trustee may in all events rely on such evidence concerning the Company's solvency as may be furnished to the

Trustee and that provides the Trustee with a reasonable basis for making a determination concerning the Company's solvency.

- (3) If at any time the Trustee has determined that the Company is Insolvent, the Trustee shall discontinue payments to the Participants or their beneficiaries and shall hold the assets of the Trust for the benefit of the Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of the Participants or their beneficiaries to pursue their rights as general creditors of the Company with respect to benefits due under the Plan or otherwise.
- (4) The Trustee shall resume the payment of benefits to the Participants or their beneficiaries in accordance with Section 2 of this Trust Agreement only after the Trustee has determined that the Company is not Insolvent (or is no longer Insolvent).
- (c) Provided that there are sufficient assets if the Trustee discontinues the payment of benefits from the Trust pursuant to Section 3(b) hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to the Participants or their beneficiaries under the terms of the Plan as certified to the Trustee by the Company for the period of such discontinuance, less the aggregate amount of any payments made to the Participants or their beneficiaries by the Company in lieu of the payments provided for hereunder during any such period of discontinuance.

Section 4. Payments to Company.

Except as provided in Section 3 hereof, the Company shall have no right or power to direct the Trustee to return to the Company or to divert to others any of the Trust assets before all payments of benefits have been made to the Participants and their beneficiaries, pursuant to the terms of the Plan (as certified to the Trustee by the Company).

Section 5. Investment and Administrative Authority.

The Company and the Trustee may formulate investment policies and standards for the investment of the Trust, which shall be broad guidelines and shall not restrict the Trustee's investment discretion with respect to the selection of Trust assets. Subject to the preceding sentence, the Trustee shall have the powers described below.

- (a) The Trustee may invest and reinvest the principal and income of the Trust and keep it invested, without distinction between principal and income, in any security or property as it, in its sole discretion, deems advisable; provided, however, that in no event may the Trustee invest in securities

(including stock or rights to acquire stock) or obligations issued by the Company, other than a de minimis amount held in common investment vehicles in which the Trustee invests. Also, in no event shall the Trust be invested in real estate. For this purpose, "real estate" includes, but is not limited to, real property, leaseholds, mineral interests, and any form of asset which is secured by any of the foregoing. All rights associated with assets of the Trust shall be exercised by the Trustee or the person designated by the Trustee, and shall in no event be exercisable by or rest with the Participants.

- (b) The Trustee may collect and receive any and all money and other property due the Trust and give full discharge therefor.
- (c) The Trustee may deposit cash into interest bearing accounts in the banking department of the Trustee or an affiliated banking organization;
- (d) The Trustee may purchase, enter, sell hold, and generally deal in any manner in and with contracts for the immediate or future delivery of financial instruments of any issuer or of any other property; the Trustee may also grant, purchase, sell, exercise, permit to expire, permit to be held in escrow, or otherwise acquire, dispose of, hold and generally deal in any manner with and in all forms of options or any combination thereof.

Settlements of transactions may be effected in trading and processing practices customary in the jurisdiction or market where the transaction occurs. The Company acknowledges that this may, in certain circumstances, require the delivery of cash or securities (or other property) without the concurrent receipt of securities (or other property) or cash and, in such circumstances, the Company shall have responsibility for nondelivery of securities or other property (or late delivery) or nonreceipt of payment (or late payment) by the counterparty.

- (e) The Trustee may settle, compromise or submit to arbitration any claims, debt or damages due or owing to or from the Trust; the Trustee may also commence or defend suits or legal proceedings to protect any interest of the Trust, and may represent the Trust in all suits or legal proceedings in any court or before any other body or tribunal.
- (f) The Trustee may take all action necessary to pay for authorized transactions, including borrowing or raising monies from any lender, including the Trustee, in its corporate capacity in conjunction with its duties under this Agreement and upon such terms and conditions as the Trustee may deem advisable to settle security purchases and/or foreign exchange or contracts for foreign exchange, and securing the repayments thereof by pledging all or any part of the Account.

- (g) The Trustee may appoint custodians, subcustodians or subtrustees, domestic or foreign (including affiliates of the Trustee), as to part or all of the Trust. The Trustee shall not be responsible or liable for any losses or damages suffered by the Company arising as a result of the insolvency of any custodian, subcustodian or subtrustee, except to the extent the Trustee was negligent in its selection or continued retention of such agent.
- (h) The Trustee may hold property in nominee name, in bearer form, or in book entry form, in a clearinghouse corporation or in a depository (including an affiliate of the Trustee), so long as the Trustee's records clearly indicate that the assets held are a part of the Trust. The Trustee shall not be responsible for any losses resulting from the deposit or maintenance of securities or other property (in accordance with market practice, custom, or regulation) with any recognized foreign or domestic clearing facility, book-entry system, centralized custodial depository, or similar organization.
- (i) The Trustee may generally do all acts, whether or not expressly authorized, which the Trustee may deem necessary or desirable for the protection of the Trust.

Section 6. Disposition of Income.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

Section 7. Accounting by Trustee.

The Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between the Company and the Trustee. Within 90 days following the close of each calendar year and within 90 days after the removal or resignation of the Trustee, the Trustee shall deliver to the Company a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions affected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be. If, within ninety (90) days after the Trustee mails to the Company a statement with respect to the Trust, the Company has not given the Trustee written notice of any exception or objection thereto, the statement shall be deemed to have been approved, and in such case, the Trustee shall not be liable for any matters in such statements.

Section 8. Responsibility of Trustee.

- (a) The Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, that the Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by the Company which is contemplated by, and in conformity with, the terms of the Plan (as certified to the Trustee by the Company) or this Trust and is given in writing by the Company. In the event of a dispute between the Company and a third party, the Trustee may apply to a court of competent jurisdiction to resolve the dispute.
- (b) The Trustee is not a party to, and has no duties or responsibilities under, the Plan other than those that may be expressly contained in this Agreement. In any case in which a provision of this Agreement conflicts with any provision in the Plan, this Agreement shall control.
- (c) The Trustee shall not be responsible for the title, validity or genuineness of any property or evidence of title thereto received by it or delivered by it pursuant to this Agreement and shall be held harmless in acting upon any notice, request, direction, instruction, consent, certification or other instrument believed by it to be genuine and delivered by the proper party or parties.
- (d) The Company agrees to indemnify and hold harmless the Trustee, its parent, subsidiaries and affiliates, and each of their respective officers, directors, employees and agents from and against all liability, loss and expense, including reasonable attorneys' fees and expenses incurred by the Trustee or any of the foregoing indemnities arising out of or in connection with this Agreement, except as a result of the Trustee's own negligence or willful misconduct. This indemnification shall survive the termination of this Agreement.
- (e) If the Trustee undertakes or defends any litigation arising in connection with this Trust, the Company agrees to indemnify the Trustee against the Trustee's costs, expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If the Company does not pay such costs, expenses and liabilities in a reasonably timely manner, the Trustee may obtain payment from the Trust.

- (f) The Trustee may consult with legal counsel (who may also be counsel for the Company generally) with respect to any of its duties or obligations hereunder.
- (g) The Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.
- (h) The Trustee shall have without exclusion, all powers conferred on Trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, the Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.
- (i) Notwithstanding the provisions of Section 8(h) above, the Trustee may loan to the Company the proceeds of any borrowing against an insurance policy held as an asset of the Trust.
- (j) Notwithstanding any powers granted to the Trustee pursuant to this Trust Agreement or to applicable law, the Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of Section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.
- (k) Notwithstanding anything in this Agreement to the contrary contained herein, the Trustee shall not be responsible or liable for its failure to perform under this Agreement or for any losses to the Trust resulting from any event beyond the reasonable control of the Trustee, its agents or custodians, including but not limited to nationalization, strikes, expropriation, devaluation, seizure, or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, levies or other charges affecting the Trust's property; or the breakdown, failure or malfunction of any utilities or telecommunications systems; or any order or regulation of any banking or securities industry including changes in market rules and market conditions affecting the execution or settlement of transactions; or acts of war, terrorism, insurrection or revolution; or acts of God; or any other similar event. This Section shall survive the termination of this Agreement.

- (l) The Trustee shall not be liable for any act or omission of any other person in carrying out any responsibility imposed upon such person and under no circumstances shall the Trustee be liable for any indirect, consequential, or special damages with respect to its role as Trustee.

Section 9. Compensation and Expenses of Trustee.

The Company shall pay all administrative and Trustee's fees and expenses. If not so paid, the fees and expenses shall be paid from the Trust. The Trustee shall be entitled to fees for services as mutually agreed. The Company acknowledges that as part of the Trustee's compensation, the Trustee may earn interest on balances including disbursement balances and balances arising from purchase and sale transactions. If the Trustee advances cash or securities to the Trust for any purpose, including the purchase or sale of foreign exchange or of contracts for foreign exchange, or in the event that the Trustee shall incur or be assessed taxes, interest, charges, expenses, assessments, or other liabilities in connection with the performance of this Agreement, except such as may arise from its own negligent action, negligent failure to act or willful misconduct, any property at any time held in the Trust Fund shall be security therefor and the Trustee shall be entitled to collect from the Trust sufficient cash for reimbursement, and if such cash is insufficient, dispose of the assets of the Trust Fund to the extent necessary to obtain reimbursement. To the extent the Trustee advances funds to the Trust for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Trust either (i) with respect to domestic assets, an amount equal to what would have been earned on the sums advanced (an amount approximating the "federal funds" interest rate) or (ii) with respect to non-domestic assets, the rate applicable to the appropriate foreign market.

Section 10. Resignation and Removal of Trustee.

- (a) The Trustee may resign at any time by written notice to the Company, which shall be effective 60 days after receipt of such notice unless the Company and the Trustee agree otherwise.
- (b) The Trustee may be removed by the Company on 60 days notice or upon shorter notice accepted by the Trustee.
- (c) Upon resignation or removal of the Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within 180 days after receipt of the notice of resignation, removal or transfer, unless the Company extends the time limit.
- (d) If the Trustee resigns or is removed, a successor shall be appointed in accordance with Section 11 hereof by the effective date of resignation or removal under paragraphs (a) or (b) of this Section. If no such

appointment has been made, the Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of the Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

Section 11. Appointment of Successor.

- (a) If the Trustee resigns or is removed in accordance with Section 10(a) or (b) hereof, the Company shall appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace the Trustee upon such resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by the Company or the successor Trustee to evidence the transfer.
- (b) The successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, subject to Sections 7 and 8 hereof. The successor Trustee shall not be responsible for and the Company shall indemnify and defend the successor Trustee from any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes successor Trustee.

Section 12. Amendment or Termination.

- (a) This Trust Agreement may be amended by a written instrument executed by Trustee and Company. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plan (as certified to the Trustee by Company) or shall make the Trust revocable.
- (b) The Trust shall not terminate until the date on which the Participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plan (as certified to the Trustee by the Company). Upon termination of the Trust any assets remaining in the Trust shall be returned to the Company.

Section 13. Miscellaneous.

- (a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.
- (b) Benefits payable to Participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.
- (c) Notwithstanding anything to the contrary contained elsewhere in this Trust Agreement, any reference to the Plan or Plan provisions which require knowledge or interpretation of the Plan shall impose a duty upon the Company to communicate such knowledge or interpretation to the Trustee. The Trustee shall have no obligation to know or interpret any portion of the Plan and shall in no way be liable for any proper action taken contrary to the Plan.
- (d) This Trust Agreement shall be governed by and construed in accordance with the Commonwealth laws of Pennsylvania. The parties hereby expressly waive, to the full extent permitted by applicable law, any right to trial by jury with respect to any judicial proceeding arising from or related to this Agreement.

Section 14. Reliance of Representations.

- (a) The Company and the Trustee each acknowledge that the other will be relying, and shall be entitled to rely, on the representations, undertakings and acknowledgments of the other as set forth in this Agreement. The Company and the Trustee each agree to notify the other promptly if any of its representations, undertakings, or acknowledgments set forth in this Agreement ceases to be true.
- (b) The Company and the Trustee hereby each represent and warrant to the other that it has full authority to enter into this Agreement upon the terms and conditions hereof and that the individual executing this Agreement on their behalf has the requisite authority to bind the Company and the Trustee to this Agreement.

Section 15. Effective Date.

The effective date of this Trust Agreement shall be the 6th day of August, 1999.

FRASER PAPERS INC.

By: Suzanne Daigle

Name: SUZANNE Daigle

Title: Vice President, Human Resources

MELLON BANK, N.A.

By: Christine A. Bloom

Name: CHRISTINE A. Bloom

Title: Vice President

Doc.62995/MEL/7-14-99

Fraser Papers, Inc.

Michael D. Skirtich
Assistant Vice President
Mellon Asset Management
One Mellon Center
Suite 4131
Pittsburgh, PA 15258-0001

February ~~27~~²⁴, 2007

Fraser Papers Inc. and Mellon Bank, N.A. (each, a "Party" and collectively, the "Parties") entered into the **Trust Agreement for the Deferred Compensation Plan**, made as of February 2, 2000 (the "Agreement"). In 2004, Nexfor, Inc., the former indirect parent corporation of Fraser Papers, Inc. (the sponsor of the deferred compensation plan), spun off its paper and timber operations into the publicly traded Canadian company, Fraser Papers, Inc. Thereafter, pursuant to a contribution Agreement, dated June 3, 2004, Fraser Papers, Inc., a Delaware corporation (unrelated to Fraser Papers, Inc., the Canadian corporation), transferred all of its United States paper assets to Antonio Levesque & Sons, Inc. a Maine corporation. On July 1, 2004, the name of Antonio Levesque & Sons, Inc. was changed to Fraser Papers Limited. Fraser Papers Limited is the "Company" for purposes of the Agreement.

Fraser Paper Limited (currently, the "Company" under the Agreement) and Mellon Bank, N.A. ("Trustee" under the Agreement) now agree that the Agreement shall be amended, as set forth in the following paragraph, to confirm that Mellon Bank, N.A., since the adoption of the Agreement, has acted and continues to act solely as a directed trustee, with no investment discretion.

Consistent with its role as directed trustee, Section 5, Investment and Administrative Authority, is hereby amended by replacing the first paragraph with the following:

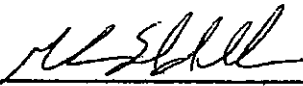
"The Company shall direct the Trustee, or appoint one or more investment managers to direct the Trustee with respect to investment of Trust assets. Notwithstanding any other provision of this Agreement, the Trustee shall act solely as a directed trustee in exercising the powers described in this section. Subject to this, the Trustee shall have the powers described below."

Section 5(a) of the Agreement is hereby amended by replacing "as it, in its sole discretion, deems advisable" with "as directed;".

Each Party represents to the other Party that: (i) the additional sentence above has been reviewed by appropriate individuals on behalf of such Party; (ii) all necessary action has been taken to authorize the execution of this Letter Agreement on behalf of such Party; and (iii) the individual executing this Letter Agreement on its behalf has the authority to bind such Party to this Letter Agreement.

This Letter Agreement shall be part of the Agreement and shall remain in full force and effect until the Parties further amend or terminate the Agreement.

Fraser Papers Limited

By: 
Name: GARY McMILLAN
Title: SECRETARY

Mellon Bank, N.A.

By: _____
Name: _____
Title: _____

EXHIBIT M

FraserPapers

June 18, 2009

To: All participants of the Fraser Papers Inc. Supplemental Employee Retirement Plan ("SERP") or the Fraser Papers Inc. Supplemental Executive Retirement Plan ("Top Up SERP")

Today Fraser Papers Inc. and its subsidiaries took the difficult decision to file for protection from their creditors both in Canada and in the United States. The filing will provide us with a defined process and the necessary time to restructure and re-establish a sustainable and profitable specialty paper business. I have attached a copy of the press release.

The filing was necessary as we were not generating sufficient positive cash flow from our operations to fund all of our obligations, including a \$25 million term loan and substantial payments owing on account of pension obligations. You should know that this was a very difficult decision for senior management and our Board of Directors, however it is the right and only decision at this time.

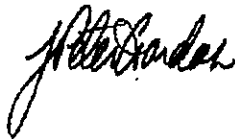
The Order obtained today provides a stay of proceedings for an initial period of thirty days, preventing any creditor of the Companies from taking actions against us, and staying our obligations to make payments to creditors. This will provide us with an opportunity to reorganize our business, continue negotiations with our stakeholders and develop and propose a restructuring plan to our creditors. We will seek an extension of the stay period prior to its expiry in thirty days.

As a member of the SERP or Top Up SERP you should be aware that the Company is no longer obligated or able to make payments in respect of any unfunded unregistered pension plans, including the SERP and Top Up SERP. As such, the Company will cease paying benefits to all participants currently in receipt of benefits under these plans effective immediately.

We are committed to ensure that you are kept up to date throughout the process. Please check our website at www.fraserpapers.com for updates. In addition, if you have any questions or concerns, please call 877-374-3834 (toll-free in Canada and the U.S.) or by email at restructuring@toronto.fraserpapers.com.

Restructurings of this kind are never easy. There is no doubt that we will need cooperation from all stakeholders for the restructuring process to be successful. At this time we would ask for your patience as we focus on the task at hand, which is to create a sustainable, profitable business going forward.

Sincerely,



Peter Gordon
Chief Executive Officer

Fraser Papers Inc.
Suite 200, Brookfield Place
181 Bay Street
Toronto, Ontario M5J 2T3
CANADA

Tel 416-359-8605
Fax 416-359-8606
www.fraserpapers.com

EXHIBIT N



August 31, 2009

Fraser Papers Inc.
Suite 200, Brookfield Place
181 Bay Street
Toronto, Ontario
M5J 2T3

- FRASER PAPERS INC. SUPPLEMENTAL EMPLOYEE RETIREMENT PLAN
- FRASER PAPERS LIMITED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (TOP-UP)
- FRASER PAPERS LIMITED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (MID-CAREER)

As requested, this letter is being delivered to Fraser Papers Inc. (the "Company") to confirm the source data for the Company's extrapolation of the obligations for each of the Company's non-registered, unfunded SERPs to June 18, 2009.

This information is in respect of the following SERPs:

- Fraser Papers Inc. Supplemental Employee Retirement Plan [CANADA];
- Fraser Papers Limited Supplemental Executive Retirement Plan (TOP-UP) [UNITED STATES]; and
- Fraser Papers Limited Supplemental Executive Retirement Plan (MID-CAREER) [UNITED STATES]

At the request of the Company, Towers Perrin regularly prepares accounting valuations of the Company's pension and post-retirement non-pension benefit plans in accordance with Section 3461 of the Canadian Institute of Chartered Accountants' Handbook ("CICA 3461") for the purpose of the Company's periodic financial disclosures. As part of these valuations, Towers Perrin determines the Accrued Benefit Obligation ("ABO") for each of the aforementioned SERPs; the ABO for each SERP is determined as the sum of the ABO for each individual participant. The ABO is determined in accordance with CICA 3461, using assumptions selected by the Company. The obligations will differ if different assumptions and methods are used, or if the purpose of the valuation were to disclose a separate liability for each individual participant. As such, the ABO determined in accordance with CICA 3461 is not intended nor necessarily suitable for other parties or for other purposes.

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Towers Perrin most recently conducted a complete actuarial valuation of the ABO on the following dates:

Plan	Actuarial Valuation Date	Discount Rate
Fraser Papers Inc. Supplemental Employee Retirement Plan (non-Quebec employees)	Dec. 31, 2007	5.25%
Fraser Papers Inc. Supplemental Employee Retirement Plan (Quebec employees)	Dec. 31, 2006	5.00%
Fraser Papers Limited Supplemental Executive Retirement Plan (TOP-UP and MID-CAREER)	Jan. 1, 2008	6.00%

For the purposes of these valuations, membership data as at the valuation date was provided by the Company; this data was relied upon by Towers Perrin following tests of reasonableness. With the exception of the discount rate noted above, the remaining actuarial assumptions and methods used are described in our most recent year-end accounting letters.

We understand that the Company is developing an updated estimate of the ABO (the "Estimated ABO") as at June 18, 2009 using the individual ABOs determined by Towers Perrin as part of the most recent actuarial valuation. We understand that these Estimated ABOs will be developed by the Company using an extrapolation based on expected benefit payments in the intervening period, and the assumption that there have been no liability experience gains or losses nor assumption changes (including discount rate changes) during that period. We confirm that this is a reasonable method for developing an Estimated ABO in accordance with CICA 3461 based on the membership data and actuarial assumptions as of the most recent actuarial valuation date. Further, we confirm that Towers Perrin is prepared to review the Company's extrapolation to ensure that it complies with the above-noted methodology.

Sincerely,



Simon J. Nelson, FSA, FCIA

cc: Ken Choi, Dan Laline – Towers Perrin

Direct Dial: 416-960-4485

EXHIBIT O

September 1, 2009

To: All participants of the Fraser Papers Inc. Supplemental Employee Retirement Plan ("SERP"), Fraser Papers Inc. Supplemental Executive Retirement Plan ("Top Up SERP") or ("Mid Career SERP") (collectively, the "SERPs")

On June 18, 2009, you received a letter advising that Fraser Papers Inc. (the "Company") and certain of its subsidiaries filed for creditor protection in Canada and in the United States and that no further payments would be made under the SERPs. You may have since received a Proof of Claim package from PricewaterhouseCoopers Inc., the Court-appointed Monitor.

You can file a claim for any entitlement you may have as part of the claims process. If you have not already received a Proof of Claim form, you can obtain one from the Monitor's web site: www.pwc.com/car-fraserpapers.

We have received a number of calls with questions as to how to complete the Proof of Claim form and how to value any claim that you may have against the Company relating to your SERP as at June 18, 2009. We appreciate that this process is unfamiliar to you, and want to assist in whatever way we can.

The Company's actuary has provided calculations as to the present value of each individual SERP participant's estimated accrued benefit obligation ("Individual ABO") within the last three years. Using these Individual ABOs and a methodology approved by the actuary the Company can provide each SERP participant with a calculation showing an updated estimate of this Individual ABO as at June 18, 2009, being the date of the CCAA filing.

In response to the calls we have received for assistance in completing the Proofs of Claim the Company intends to bring a motion to the Court on September 8, 2009. At that time, the Company will seek an Order:

- approving a mechanism to assist you in determining the value of your claim in order to file a Proof of Claim;
- authorizing the Company to prepare and provide each SERP participant with an updated estimate of the present value of their individual SERP amount as at June 18, 2009. The number will be based on the latest valuation and will be adjusted to reflect payments received and interest accrued since that time. The determination of this amount will be based on a court-approved methodology;
- allowing you to complete your Proof of Claim based on two options, either: (i) using the number provided to you by the Company using the court-approved methodology, or (ii) using a valuation generated by a qualified third party you have retained, such as a certificate issued by an insurance company showing the amount required to purchase an equivalent annuity in place of your existing SERP; and

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CANADA

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pgordon@toronto.fraserpapers.com
www.fraserpapers.com

FraserPapers

- extending the Claims Bar Date (the date by which all Proofs of Claim must be received by the Monitor) for filing SERP claims from September 30, 2009 to October 15, 2009.

If you have not already filed a Proof of Claim with the Monitor, you may wish to wait until after we attend in Court on September 8, 2009, at which time we will communicate with you further. If you have already filed a Proof of Claim and wish to resubmit a revised one after September 8, please indicate on your second Proof of Claim form that it is a REVISED Proof of Claim and ensure that it is dated. The Monitor will consider the most recently dated Proof of Claim as the final one submitted by you.

The Company has no legal obligation to provide updated information to you as at June 18, 2009 with respect to the value of your individual SERP entitlement or otherwise. The Company is proposing the above as a way to assist you in determining the value of your claim to allow you to participate in the claims process.

If you have any questions concerning the above, you may contact Linda Pellizzari at (416) 359-8644.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Gordon", with a stylized flourish at the end.

Peter Gordon
Chief Executive Officer

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC., FRASER TIMBER LTD., FRASER PAPERS LIMITED and FRASER N.H. LLC (collectively, the "Applicants")

Court File No.: CV-09-8241-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

AFFIDAVIT OF GLEN McMILLAN
(Sworn September 1, 2009)

ThorntonGroutFinnigan LLP
Barristers and Solicitors
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7

Michael E. Barrack (LSUC# 21941W)
Robert I. Thornton (LSUC# 24266B)
D.J. Miller (LSUC# 34393P)
Tel: 416-304-1616
Fax: 416-304-1313
Lawyers for the Applicants

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) TUESDAY, THE 8th DAY
)
MADAM JUSTICE PEPALL) OF SEPTEMBER, 2009

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR
ARRANGEMENT WITH RESPECT TO **FRASER PAPERS INC.**, FPS
CANADA INC., FRASER PAPERS HOLDINGS INC., FRASER TIMBER
LTD., FRASER PAPERS LIMITED and FRASER N.H. LLC

Applicants

ORDER

THIS MOTION made by the Applicants for the relief sought in the Notice of Motion herein dated September 1, 2009, was heard this day at 330 University Avenue, in the City of Toronto, Ontario.

ON READING the affidavit of Glen McMillan sworn September 1, 2009 and on hearing the submissions of counsel for the Applicants and any other parties appearing:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein is abridged so that this Motion is properly returnable today and the service of the Notice of Motion and the Motion Record be and is hereby validated in all respects.

2. **THIS COURT ORDERS** that, notwithstanding the *Personal Information Protection and Electronic Documents Act* and any other similar legislation, regulation or law governing the disclosure of privacy and confidentiality of personal information, and subject to being provided with a confidentiality agreement signed by the requesting party that is acceptable to the Applicants and the Monitor, the Applicants are hereby authorized and directed to provide the names and contact information of any current and former employees and beneficiaries to be represented by any counsel appointed by this Court to such counsel, upon an Order being issued by this Court confirming such counsel's appointment, or as may be otherwise directed by this Court.
3. **THIS COURT ORDERS** that paragraph 5 of the Amended and Restated Order of the Honourable Mr. Justice Morawetz dated as of July 15, 2009 (the "Initial Order") be and is hereby amended by providing that the definition of Cash Management System therein includes foreign exchange transactions facilitated by Royal Bank of Canada at the request of the Applicants, as such arrangements existed immediately prior to June 18, 2009.
4. **THIS COURT ORDERS** that, notwithstanding any reduction in the CIT Existing Debt (as such term is defined in the Amended CIT Term Sheet approved by this Honourable Court pursuant to the Initial Order) the CIT DIP Charge (as defined therein) secures all advances made by CIT to the Applicants from and after June 18, 2009 up to the maximum principal amount of USD \$24,000,000, having the priority described in the Initial Order.
5. **THIS COURT ORDERS** that the Order of the Honourable Madam Justice Pepall dated July 15, 2009 (the "Claims Order") be and is hereby amended to provide that the fees and

expenses of the Claims Officer defined therein that is secured by the Administration Charge (as defined in the Initial Order) includes any legal fees and disbursements incurred by the Claims Officer in fulfilling his mandate under the Claims Order, all subject to the limit of \$100,000 as set out in the Claims Order.

6. **THIS COURT ORDERS** that Mellon Bank N.A., in its capacity as trustee of the Deferred Compensation Plan Trust Agreement dated February 2, 2000, as amended on February 24, 2007 (collectively, the "Trust Agreement"), in respect of a Deferred Compensation Plan restated January 1, 2009, be and is hereby authorized and directed to remit the balance of funds held by it under the Trust Agreement to Fraser Papers Limited.
7. **THIS COURT ORDERS** that the mechanism proposed by the Applicants for valuing individual claims relating to the Applicants' Supplemental Employee Retirement Plan, Supplemental Executive Retirement Plan and Mid-Career Retirement Plan (collectively, the "SERPs" and each participant under a SERP a "Participant") be, and it is hereby approved, as follows (with all capitalized terms being as defined in the Affidavit of Glen McMillan sworn September 1, 2009 and filed in support of this Order):

- (a) the Applicants shall provide each Participant, or in the case of any representative counsel appointed by this Honourable Court on behalf of such Participant, with the Applicants' calculation of the Current SERP Amount for each participant, upon the mechanical calculations being reviewed and confirmed by Towers Perrin and the Monitor;

- (b) upon receiving the Current SERP Amount from the Applicants, each Participant may elect to complete and file a Proof of Claim with the Monitor

using (i) the Current SERP Amount; or (ii) a figure calculated by a qualified third party retained by such Participant, including a certificate issued by an insurance company showing the amount required to purchase an annuity to replace that Participant's SERP.

8. **THIS COURT ORDERS AND REQUESTS** the aid, recognition and assistance of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order. Each of the Applicants and the Monitor shall be at liberty, and are hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other courts and judicial, regulatory and administrative bodies, and take such other steps, in Canada or in the United States, as may be necessary or advisable to give effect to this Order and any other Order granted by this Court.
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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36 AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO FRASER PAPERS INC., FPS CANADA INC., FRASER PAPERS HOLDINGS INC., FRASER TIMBER LTD., FRASER PAPERS LIMITED and FRASER N.H. LLC (collectively, the "Applicants")

Court File No.: CV-09-8241-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

ORDER

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**MOTION RECORD
(Returnable September 8, 2009)**

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