

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

THE HONOURABLE ) TUESDAY, THE 8<sup>th</sup> 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:

- erp ✓
- ~~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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Court File No.: CV-09-8241-00CL

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

Proceedings commenced at **Toronto**

**ORDER**

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