

**CHARTER  
GOVERNANCE COMMITTEE  
OF THE  
BOARD OF DIRECTORS OF APPLETON PAPERS INC.**

**Approved August 10, 2011 Governance Committee Meeting**

**I. PURPOSE**

The purpose of the Corporate Governance Committee (hereafter, the "Committee") of the Appleton Papers Inc. ("API") Board of Directors (hereafter, the "Board") is set out below:

- A. to identify individuals qualified to become Board members;
- B. to recommend to the Board individuals to serve on the Board and its committees;
- C. to advise the Board with respect to composition, procedures, policies and committees of the Board;
- D. to develop, recommend and periodically re-evaluate corporate governance principles applicable to API, as deemed appropriate and necessary;
- E. to evaluate and make recommendations to the Board with respect to director compensation in consultation with Compensation Committee;
- F. to make recommendations and review progress with respect to succession planning among directors;
- G. to oversee the evaluation of Board performance;
- H. to oversee the orientation of new directors and continuing education for all directors;
- I. to make recommendations to the Board regarding the size and composition of the Board;
- J. to make recommendations to the Board on the frequency, content and structure of Board meetings;
- K. to make recommendations to the Board regarding the tenure and retirement age of directors;
- L. to make recommendations to the Board regarding the effectiveness of incumbent directors;
- M. to make recommendations to the Board regarding the removal of directors, including for cause, and to recommend changes in Board committee composition, including change of committee chair people;
- N. to make nominations to the Board for election of the members of the Board committees;
- O. to periodically review the organization of the various committees of the Board;
- P. to ascertain that each committee possesses a Charter outlining its responsibilities and that such Charter is reviewed annually;

- Q. to address any issues that arise concerning the delineation of Board committees or Board responsibilities;
- R. to conduct an annual assessment of the Committee's performance;
- S. to review and approve the corporate governance disclosures, if any, to be included with the Company's annual proxy statement or annual report on Form 10-K filed with the U.S. Securities and Exchange Commission;
- T. to review periodically and, if appropriate, make recommendations to the Board regarding API's Certificate of Incorporation and By-laws as they relate to corporate governance;
- U. to assess periodically and, if appropriate, make recommendations to the Board regarding the indemnification of directors, officers and employees under applicable law, API's By-laws and its insurance policies;
- V. to consider questions of possible conflicts of interest of Board members and senior executives, in collaboration with the Audit Committee, and initiate appropriate action to address any such conflicts; and
- W. to periodically review the adequacy of this Charter as well as the Charters of other Board committees and propose changes to the Board and/or other committees when deemed appropriate.

## **II. ORGANIZATION**

The Committee shall be comprised of three (3) directors; this number may be increased, from time to time, by resolution of the Board. Members of the Committee shall be designated annually by a majority vote of the entire Board (after considering any recommendations of the Committee) at the annual organizational meeting of the Board. Committee members may be removed and new members may be appointed by a majority vote of the Board. The Chairperson of the Committee shall be designated by a majority vote of the Board.

## **III. STRUCTURE AND OPERATION**

The Committee shall operate in accordance with the following procedures:

- A. A quorum shall be the greater of two (2) members or two (2) less than the number of total members on the Committee. When more than two members are present, the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Committee, and when only two members are present, the unanimous vote of the two members shall constitute the act of the Committee.
- B. Any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting if a consent or consents sponsored by the Chair of the Committee or Chairperson of the Board is signed by all members of the Committee. Said unanimous consents shall be filed with the minutes of the Committee by the Secretary of the Company.

- C. The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information or advice as the Committee requests. The Committee may form and delegate authority to subcommittees when appropriate. The Committee shall have the resources appropriate to discharge its duties and responsibilities and the authority to obtain advice and seek assistance from external legal, accounting, search firms or other advisors, as and when it deems appropriate.
- D. The Committee shall meet in person or telephonically as frequently as the Committee deems necessary and appropriate to carry out its duties. During such meetings, the Secretary of API, or, in the absence of the Secretary, such person as may be designated by the Chairperson, shall act as secretary and keep the minutes of all meetings of the Committee. The Chairperson of the Committee shall report to the Board at each meeting of the Board the deliberations, actions and recommendations, if any, the Committee has undertaken or made since the last Board meeting.
- E. Except as expressly provided herein or pursuant to the By-laws of the Company, or as required by law, regulation or applicable national listing standards, the Committee shall establish its own rules of procedures.

#### **IV. DISCLOSURE OF CHARTER**

This Charter will be made available on the Company's website at [www.appletonideas.com](http://www.appletonideas.com) under Investor Relations.

#### **NOTES:**

1. Discuss separating purpose from responsibilities. No change as proposed.