

ENTERPRISE RISK MANAGEMENT CHARTER

Adopted November 7, 2007

Revised June 24, 2009

I. PURPOSE.

The purpose of the Enterprise Risk Management Committee (the “Committee”) is to provide oversight in achieving Appleton Papers Inc.’s (the “Company”) Enterprise Risk Management (“ERM”) vision and mission. It is our vision to maximize the Company’s ability to achieve its business objectives. ERM helps achieve this vision by creating a comprehensive approach to anticipate, identify, prioritize, and manage material risks to our business objectives. Enterprise risk is defined as any significant event or circumstance which could impact the achievement of our business objectives, including strategic, operational, financial, and compliance risks.

II. COMMITTEE COMPOSITION, MEETINGS AND REPORTS.

The Committee shall consist of the Chief Financial Officer, Vice President – Marketing and Strategy, Vice President – Operations Technical Papers, and Director of Enterprise Risk Management. The Director of Enterprise Risk Management shall serve as the Chairperson and facilitator of ongoing activities.

The Committee shall meet as frequently as it deems necessary to carry out its duties and responsibilities, but the Committee shall meet at least four times each year. Meetings of the Committee may be called by the Chairperson of the Committee.

The Committee shall maintain minutes of all its meetings and shall report no less than annually to the Company’s Audit Committee of the Board of Directors regarding the Committee’s activities, findings, conclusions and recommendations.

III. RESPONSIBILITIES.

The primary responsibility of the Committee is to ensure that sound policies, procedures and practices are in place for the enterprise-wide management of the Company’s material risks and to report the results of the Committee’s activities to the Company’s Audit Committee of the Board of Directors. Management of the Company is responsible for satisfactorily mitigating material business risks.

The Committee shall:

- A. Design and implement risk management practices, specifically:
 - 1. Provide ongoing guidance and support for the refinement of the overall risk management framework ensuring best practices are incorporated.

2. Ensure that management understands and accepts its responsibility for identifying, assessing and managing risk.
 3. Ensure that risk assessments are performed periodically and completely.
- B. Execute and monitor risk management practices, specifically:
1. Approve company-wide risk assessment.
 2. Determine which enterprise risks are most significant and approve resource allocation for risk monitoring and improvement activities.
 3. Assign risk owners and approve action plans.
 4. Periodically review and monitor risk mitigation progress.
 5. Periodically review and report to the Company's Audit Committee of the Board of Directors (a) the magnitude of all material business risks; (b) the processes, procedures and controls in place to manage material risks; and (c) the overall effectiveness of the risk management process.
 6. Monitor the effectiveness of the Company's risk management staff and program.

IV. ANNUAL EVALUATION

The Committee will evaluate its performance on an annual basis. The evaluation shall be conducted in such manner as the Committee deems appropriate and in accordance with best practices. The evaluation shall compare the performance of the Committee with the requirements of this Charter. The evaluation shall also recommend any improvements to the Committee's Charter deemed necessary.