

CHARTER  
ESOP ADMINISTRATIVE COMMITTEE

(Adopted January 10, 2008)

**I. Purpose**

The ESOP Administrative Committee (the “Committee”) is appointed by the Board of Directors of Appleton Papers Inc. to administer the Appleton Papers Retirement Savings and Employee Stock Ownership Plan (“ESOP” or the “Plan”) in accordance with Section 8 of the Plan. The Committee is responsible for overseeing the administrative functions with respect to the ESOP and provides direction and input to the ESOP Trustee.

**II. Committee Composition**

The ESOP Administrative Committee is appointed by the Board of Directors of Appleton Papers Inc. The Committee must have at least three members with at least one Committee member appointed by the Board of Directors as Chairperson.

Each member of the Committee may resign, or may be removed at any time by the Board of Directors of the Company (with or without cause), and, in the event of the removal, death or resignation of any member, his successor shall be appointed by the Board of Directors of the Company. In the event that a vacancy or vacancies shall occur on the Committee, the remaining member or members shall act as the Committee until the Board of Directors of the Company fills such vacancy or vacancies. The members of the Committee shall serve without compensation for their services as such members.

**III. Meetings and Reports**

The Committee shall meet as frequently as the Committee 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 written notice or e-mail by the chairperson of the Committee or other members as necessary.

The Committee shall maintain minutes of all its meetings and shall report periodically, but at a minimum annually, to the Board of Directors regarding the Committee’s activities, findings, conclusions and recommendations, including the ESOP’s compliance with legal or regulatory requirements and its administrative policies, practices, and procedures.

A majority of the members of the Committee shall constitute a quorum. The vote of a majority of Committee members shall be necessary to constitute a division of the Committee.

The Committee shall require the attendance of Company management personnel or other employees or advisors at its meetings as the Committee determines may be necessary or advisable from time to time.

#### **IV. Responsibilities of ESOP Administrative Committee**

The primary responsibilities of the Committee are:

- To oversee the administration and enforcement of the Appleton Employee Stock Ownership Plan (the “Plan”)
- To direct the activities of the Trustee of the Plan
- Recommend substantive Plan amendments to the Board
- To establish non-discriminatory policies for Plan administration.

Other responsibilities of the Committee include, but are not limited to, the following:

- Appoint Trustee or Trustees to hold the assets of the Plan
- Approve diversifications and distributions according to existing policy
- Make non-material amendments to the Plan
- Review stock price calculations as soon as practical after the Trustee establishes the stock price
- Review current/forecasted company financial performance and covenant compliance
- Review the process for all regulatory and compliance filings and determine whether they have taken place accurately and timely
- Review status of the Plan in relation to ERISA, to ensure compliance
- Review performance of the record keeper for the ESOP
- Review claims or complaints
- Review adequacy of the Charter annually
- Report to Board of Directors periodically but no less than annually on Plan policies and compliance with appropriate regulations to ensure the plan is administered in accordance with its terms, including but not limited to
  - Recommendations on the Investment Policy for the KSOP cash component; monitor investment performance of cash component
  - Recommendations on policies for handling diversifications and distributions
  - Recommendation regarding emerging repurchase liability
  - Recommendations for Plan amendments to comply with legislative or regulatory changes

#### **V. Use of Advisors**

In the course of fulfilling its duties, the Committee has authority to retain its own independent legal, accounting and other advisors in its sole discretion, including sole authority to approve the fees and other retention terms of any advisor and to terminate such advisor.

The Committee has been, and shall be, granted unrestricted and confidential access at any time to all Company information and to anyone, including outside Company counsel, that the Committee deems necessary or appropriate to facilitate its review and oversight of the Appleton Employee Stock Ownership Plan.

## ESOP Administrative Committee Work Plan

RESPONSIBILITY	JANUARY	MARCH	JULY	AUGUST
• Review performance of Trustee holding the assets of the plan		X		
• Approve diversifications and distributions according to existing policy		X		X
• Review stock price calculations as soon as practical after approval of the stock price by the Trustee	X		X	
• Review current/forecasted company financial performance and covenant compliance	X	X	X	X
• Review the process for all regulatory and compliance filings and confirm they have taken place accurately and timely	X	X	X	X
• Review status of the Plan in relation to ERISA to ensure compliance	X			
• Review performance of the record keeper for the ESOP	X		X	
• Review claims or complaints	X	X	X	X
• Review adequacy of the Charter	X			
• Report to Board of Directors periodically but no less than annually on adequacy of Plan, Plan policies and compliance with appropriate regulations		X		
• Meet with representatives of the ESOP Communications Committee		X		X