

KRUGER PRODUCTS INC.

MANDATE OF THE BOARD OF DIRECTORS

1. DEFINITIONS

In this mandate:

“**Board**” means the board of directors of the Corporation;

“**Corporation**” means Kruger Products Inc.; and

“**Shareholders Agreement**” means the unanimous shareholders agreement of the Corporation between the Corporation, KP Tissue Inc., KPGP Inc., Kruger Inc. and 13582141 Canada Inc. dated January 1, 2023, as the same may be amended and/or restated from time to time.

2. PURPOSE

The members of the Board have a duty to supervise the management of the business and affairs of the Corporation. The Board, directly and through its committees, shall provide direction to senior management, generally through the chief executive officer, to pursue the best interests of the Corporation.

3. DUTIES AND RESPONSIBILITIES

3.1 The Board’s objective is to ensure that the business and affairs of the Corporation are carried out, directed and managed with the objective of enhancing Corporation shareholder value, while at the same time considering the legitimate interests of its other stakeholders. This is to be done in compliance with applicable laws, and the Corporation’s values and corporate governance policies and practices.

3.2 More specifically, the Board shall, among other things, directly or through its committees:

- (a) adopt a strategic planning process and periodically approve a strategic plan, which addresses, among other things, the Corporation’s business opportunities and risks;
- (b) formulate the Board’s expectations of the Corporation management;
- (c) identify and monitor the main risks faced by the Corporation and ensure appropriate measures and systems are implemented for managing such risks;
- (d) define the responsibilities of the senior executives and their authority to bind the Corporation;
- (e) ensure the integrity of the Corporation’s internal control and management information systems;
- (f) develop the Corporation’s approach to corporate governance, including the preparation of a specific set of principles and guidelines;
- (g) consider recommendations of the Governance Committee regarding, and if appropriate adopt, any revisions corporate policy it considers appropriate and ensure it is followed;
- (h) identify decisions that require the pre-approval of the Board and establish approval and authorization policies for decisions and contracts binding the Corporation;
- (i) prepare and adopt a Code of Business Conduct and Ethics for the directors, officers and employees of the Corporation, ensure it is updated regularly and followed, including monitoring and approval of all exemptions, where applicable;

- (j) prepare and approve position descriptions for the Chairman of the Board and the Chair of each Committee;
- (k) on the recommendation of the Human Resources and Compensation Committee, establish and approve a position description for the Chief Executive Officer;
- (l) create committees of the Board, establish their mandate and appoint their members;
- (m) appoint the Chairman of the Board and the Chairs of each committee of the Board;
- (n) on a recommendation of the Human Resources and Compensation Committee, establish and approve the compensation policies and programs for management, evaluate the performance of the Chief Executive Officer based on the objectives set, and establish his/her compensation;
- (o) with the assistance of the Audit Committee, ensure compliance with accounting standards, as well as the integrity and adequacy of financial reporting;
- (p) on a recommendation of the Audit Committee, approve the financial results of the Corporation;
- (q) determine the appropriateness of declaring, and declare, where applicable, the payment of dividends to shareholders;
- (r) approve the charters and by-laws as well as any amendments to these documents;
- (s) approve operating and capital budgets of the Corporation;
- (t) approve the acquisition or sale of major assets and any other important transaction involving the Corporation, its property and its rights or its obligations;
- (u) approve any major reorganization or downsizing of the Corporation;
- (v) approve the purchase, redemption or any other form of acquisition of the securities of the Corporation and approve the related reporting process;
- (w) approve the form and content of the certificates evidencing the securities of the Corporation;
- (x) monitor Environmental, Health & Safety performance and standards and direct the Corporation to take corrective action where appropriate; and,
- (y) monitor the administration, funding and investment of the Corporation's pension plans.

4. FUNCTIONING

- 4.1 To effectively discharge its responsibilities, the Board shall meet periodically (at least one meeting per quarter). To assist it in discharging its responsibilities, the Board has formed the following standing committees – Audit Committee, Human Resources and Compensation Committee, and Governance Committee. In addition, the Board has delegated the day-to-day administration to management through specific responsibilities assigned to the President and Chief Executive Officer.
- 4.2 Furthermore, in the performance of its mandate, the Board may retain the services of external advisors.

5. CHAIRMAN OF THE BOARD

- 5.1 The Chairman of the Board shall be responsible in particular for managing the affairs of the Board and monitoring its effectiveness, setting the agenda for Board meetings and relations with the Corporate Secretary

with respect to the affairs of the Board and its Committees. He/she shall also ensure that any important strategic matters or issues are communicated to the Board for approval and that the Board receives the information, reports, documents and opinions required so that the members of the Board can fulfil their role. He/she shall ensure the decisions made by the Board are implemented. The Chairman of the Board shall ensure all interested parties are informed about the Board's policies with respect to compliance with the by-laws and the Code of Business Conduct and Ethics of the Corporation. He/she shall also make himself/herself available to advise the Chief Executive Officer.

5.2 Specific responsibilities of the Chairman of the Board shall be:

- (a) to ensure harmonious relations between the shareholders, the Board and management;
- (b) to inform the shareholders of the recommendations for new directors based on the report of the Human Resources and Compensation Committee;
- (c) at his/her discretion, to sit on other Board committees; and
- (d) to inform management about his/her evaluation of the information provided to the directors.

6. CORPORATE SECRETARY

The Board and the President and Chief Executive Officer have given the Corporate Secretary the responsibility for organizing all meetings of the Board and its committees. He/she shall also:

- (a) prepare information provided by management and distribute it to the directors in a form that will facilitate an understanding thereof and decision-making;
- (b) ensure a follow-up of Board and committee decisions;
- (c) ensure a corporate file is maintained;
- (d) advise directors as to procedures and liability, in particular with respect to corporate governance;
- (e) keep corporate by-laws, policies and procedures of the Corporation up-to-date; and
- (f) provide directors with the necessary information about the Corporation so they can discharge their responsibilities with prudence and diligence.

7. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

- (a) The Board is responsible for directing management to ensure that legal requirements have been met, and that documents and records have been properly prepared, approved and maintained.
- (b) Directors are under a fiduciary duty to the Corporation to carry out the duties of their office:
 - (i) honestly and in good faith;
 - (ii) with a view to the best interests of the Corporation; and
 - (iii) with the care, diligence and skill of a reasonably prudent person.