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**KP TISSUE INC.**

***BY-LAW NO. 2***  
***GENERAL BORROWING BY-LAW***

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Subject to the articles, the by-laws and without restricting the powers conferred on the Corporation pursuant to the *Canada Business Corporations Act*, the directors may and they are hereby authorized from time to time to:

- (a) borrow money upon the credit of the Corporation;
- (b) issue bonds or other securities or debt obligations of the Corporation and pledge or sell the same for such sums and at such prices as may be deemed expedient;
- (c) charge, mortgage, pledge, hypothecate or otherwise create a security interest in all or any currently owned or subsequently acquired property and assets of the Corporation including, without limiting the generality of the foregoing, real and personal property, movable and immovable property, tangible and intangible assets, book debts, rights, powers, franchise and undertaking to secure any obligation of the Corporation.

No provision shall limit or restrain the loans contracted by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by the Corporation or on its behalf.

**DECLARATION OF THE SECRETARY**

The foregoing is the full text of the General Borrowing By-Law, as adopted by the Board of Directors of KP TISSUE INC. on October 1, 2012 and confirmed by the shareholders on October 1, 2012. This by-law is also referred to as By-Law No. 2 of the Corporation.

  
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Janet Shulist, Corporate Secretary