



Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

KP Tissue Inc.
Papiers Tissu KP Inc.

Corporate name / Dénomination sociale

831280-0

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Marcie Girouard

Director / Directeur

2012-12-11

Date of Amendment (YYYY-MM-DD)
Date de modification (AAAA-MM-JJ)



Form 4
Articles of Amendment
Canada Business Corporations Act
(CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par
actions (LCSA) (art. 27 ou 177)

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- 1 Corporate name
Dénomination sociale
KP Tissue Inc.
Papiers Tissu KP Inc.
-
- 2 Corporation number
Numéro de la société
831280-0
-
- 3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

The corporation changes the minimum and/or maximum number of directors to:
Les nombres minimal et/ou maximal d'administrateurs sont modifiés pour :
Min. 4 Max. 9

The corporation amends the description of classes of shares as follows:
La description des catégories d'actions est modifiée comme suit :
See attached schedule / Voir l'annexe ci-jointe

The corporation amends the restrictions on the business it may carry on as follows:
Les limites imposées aux activités commerciales sont modifiées comme suit :
See attached schedule / Voir l'annexe ci-jointe

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- 4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Janet Shulist

Janet Shulist
514-343-3207

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Nota : Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou de l'une de ces deux peines (paragraphe 250(1) de la LCSA).

KP Tissue Inc.

Schedule / Annexe

Description of Classes of Shares / Description des catégories d'actions

The authorized share capital of the Corporation is hereby replaced in its entirety by the following:

The corporation is authorized to issue an unlimited number of common shares.

The rights, privileges, restrictions and conditions attaching to the common shares are as follows:

- (a) **Payment of Dividends:** The holders of the common shares will be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the common shares, the board of directors may in its sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.
- (b) **Participation upon Liquidation, Dissolution or Winding Up:** In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the common shares will, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate in the distribution. Such distribution will be made in equal amounts per share on all the common shares at the time outstanding without preference or distinction.
- (c) **Voting Rights:** The holders of the common shares will be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote in respect of each common share held at all such meetings.
- (d) **Redemption of Common Shares From Ineligible Holder.**
 - (i) If as a consequence of any person becoming a holder of common shares the Corporation determines, in its sole discretion, that there is a substantial risk that the Corporation would be required to register as an investment company under the United States Investment Company Act of 1940, as amended, the Corporation may request that such holder of common shares furnish to the Corporation, within 30 days after receipt of such request, an Eligibility Certificate, along with such other information concerning its citizenship, residency or other related status of such holder of common shares as the Corporation may request (or, if the holder of the common shares is a nominee holding for the account of another person, the eligibility or other related status of such person). If such holder of common shares is an Ineligible Holder, the common shares held by such Ineligible Holder shall be subject to redemption in accordance with the provisions of this Section (d).

(ii) The Corporation may redeem the common shares of an Ineligible Holder as follows:

A. The Corporation shall, not later than the 30th day before the date fixed for redemption of the common shares (the "Redemption Date"), give notice of redemption to the Ineligible Holder, at its last address designated on the records of the Corporation or the transfer agent of the common shares, by registered or certified mail, postage prepaid. The notice shall be deemed to have been given when so mailed. The notice shall specify the number of common shares to be redeemed (the "Redeemable Shares"), the Redemption Date, the place of payment, that payment of the Aggregate Redemption Price will be made upon the redemption of the Redeemable Shares (or, if later in the case of Redeemable Shares evidenced by certificates, upon surrender of the certificates evidencing such Redeemable Shares) and that on and after the Redemption Date all voting and dividend rights attached to such Redeemable Shares shall be extinguished.

B. The Aggregate Redemption Price shall be paid, as determined by the Corporation in its sole discretion, in cash or by delivery of a promissory note of the Corporation in the principal amount of the Aggregate Redemption Price, bearing interest at the prime lending rate prevailing on the Redemption Date as published by the Bank of Canada, payable in three equal annual installments of principal together with accrued interest, commencing one year after the Redemption Date.

C. The Ineligible Holder or its duly authorized representative shall be entitled to receive the Aggregate Redemption Price at the place of payment specified in the notice of redemption on the Redemption Date (or, if later in the case of Redeemable Shares evidenced by certificates, upon surrender by or on behalf of the Ineligible Holder, at the place specified in the notice of redemption, of the certificates, evidencing the Redeemable Shares, duly endorsed in blank or accompanied by an assignment duly executed in blank).

D. On and after the Redemption Date, all voting and dividend rights attached to the Redeemable Shares shall be extinguished and such Redeemable Shares shall no longer constitute issued and outstanding common shares, unless otherwise required by applicable law.

(iii) The provisions of this Section (d) shall also be applicable to common shares held by a holder of common shares as nominee of a person determined by the Corporation to be an Ineligible Holder.

(iv) Nothing in this Section (d) shall prevent the recipient of a notice of redemption from transferring its common shares prior to the Redemption Date if such transfer is otherwise permitted under these Articles of Incorporation. Upon receipt of notice of such a transfer, the Corporation shall be deemed to have withdrawn the notice of redemption, provided that if requested by the Corporation, the transferee of such common shares shall deliver an Eligibility Certificate to the Corporation. If the transferee fails to deliver an Eligibility Certificate along with

such other information concerning its citizenship, residency or other related status of such holder of common shares as the Corporation may request (or, if the transferee is a nominee holding for the account of another person, the eligibility or other related status of such person), such redemption shall be effected from the transferee on the Redemption Date specified in the notice to the transferor.

- (v) Notwithstanding anything in this Section (d) to the contrary, no proceeds shall be delivered to a person to whom the delivery of such proceeds would violate applicable law, and in such case and in lieu thereof, the proceeds shall be delivered to a charity selected by the Corporation in its sole discretion and any redemption shall be effective upon delivery of such payments to such charity.
- (vi) As used in this Section (d),
 - A. “Aggregate Redemption Price” means the Redemption Price multiplied by the number of Redeemable Shares to be redeemed from an Ineligible Holder.
 - B. “Current Market Price” means the volume weighted average of the closing prices per common share for the 10 consecutive trading days immediately prior to the redemption date as reported on the principal stock exchange or other market on which the common shares are then listed or admitted for trading or, if the common shares are not then listed or admitted for trading, the average of the high bid and low asked prices quoted on such 10 days in the over-the-counter market, as reported by the primary reporting system then in use in relation to the common shares, or, if on any such day the common shares are not so quoted by any such organization, the average of the closing bid and asked prices on such day as furnished by a professional market maker making a market in the common shares selected by the Corporation in its sole discretion, or if on any such day no market maker is making a market in the common shares, the fair value of the common shares on such day as determined by the Corporation in its sole discretion.
 - C. “Eligibility Certificate” means a certificate addressed to the Corporation attesting to the fact that a holder of common shares is an Eligible Holder;
 - D. “Eligible Holder” means a person that is (1) not a U.S. Person (as such term is defined in Rule 902 under the United States Securities Act of 1933, as amended) or (y) a “qualified purchaser” (as such term is defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended);
 - E. “Ineligible Holder” means a holder of common shares that has not delivered an Eligibility Certificate within the 30-day period specified in Section (d)(i) or that the Corporation otherwise determines, with the advice of counsel, is not an Eligible Holder;

F. "Redemption Price" means as of any date of redemption, the lesser of (i) the holder's cost of acquiring the Redeemable Shares (exclusive of brokerage fees or financing or similar costs) and (ii) 95% of the Current Market Price of the Redeemable Shares.

KP Tissue Inc.

Schedule / Annexe

**Restrictions on the business the corporation may carry on/
Limites imposées à l'activité commerciale de la société**

The Corporation's business will be limited to (i) the investment in, holding of and disposition of limited partnership interests, units, shares or other securities of Kruger Products L.P., a limited partnership formed under the laws of the Province of Quebec, and KPGP Inc., a corporation governed by the federal laws of Canada, (together the "Entities") (or any successor entity of either Entity including any entity or entities that have acquired all or substantially all of the assets of such Entities), (ii) the acquisition of, holding, operation and disposition of any assets, liabilities, operations or business of such Entities, and (iii) all activities related, incidental or ancillary to any of the foregoing.