IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, Plaintiff, v. VERSO PAPER CORP., and NEWPAGE HOLDINGS INC., Defendants.	Case No. 1:14-cv-2216

HOLD SEPARATE STIPULATION AND ORDER

The undersigned parties hereby stipulate and agree, subject to approval and entry by the Court, that:

I. DEFINITIONS

As used in this Hold Separate Stipulation and Order:

A. "Acquirer(s)" means Catalyst or another entity or entities to whom Defendants divest the Divestiture Mills in a manner consistent with the provisions of this Final Judgment.

B. "Catalyst" means Catalyst Paper Corporation, a Canadian corporation with its headquarters in Richmond, British Columbia, Canada, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

C. "Defendants" means NewPage and Verso.

D. "Divestiture Mills" means NewPage's pulp and paper mill located at 35 Hartford Street, Rumford, Maine 04276 (the "Rumford Mill"); and NewPage's pulp and paper mill

located at 621 North Biron Drive, Wisconsin Rapids, Wisconsin 54495 (the "Biron Mill") (subject to the exclusions in Section I(D)(3) below), including:

1. All tangible assets necessary to operate, used in or for, or devoted to the Divestiture Mills including, but not limited to, all manufacturing equipment, tooling, fixed assets, real property (leased or owned), personal property, inventory, reserves, office furniture, information technology systems, materials, supplies, and other tangible property and all assets used exclusively in connection with the Divestiture Mills; all licenses, permits and authorizations issued by any governmental organization relating to the Divestiture Mills; all contracts, teaming arrangements, agreements, leases (including renewal rights), commitments, certifications, and understandings relating to the Divestiture Mills, including supply agreements; all customer lists, contracts, accounts, and credit records; all repair and performance records and all other records relating to the Divestiture Mills.

2. All intangible assets necessary to operate, used in or for, or devoted to the Divestiture Mills, including, but not limited to, all patents, licenses and sublicenses, intellectual property, copyrights, trademarks, trade names, service marks, service names, technical information, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, specifications for parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, environmental studies and assessments, design tools and simulation capability, all manuals and technical information Defendants provide to their own employees, customers, suppliers, agents or licensees, and all research data concerning historic and current research and development efforts relating to the Divestiture Mills, including, but not limited to, designs of experiments, and the results of successful and unsuccessful designs and experiments.

3. "Divestiture Mills" does not include the Wisconsin Rapids pulp mill, the Consolidated Water Power Company, the Sterling trade name and trademark, and the NewPage Research and Development facility at 300 N. Biron Drive, Wisconsin Rapids, Wisconsin, 54494.

E. "NewPage" means Defendant NewPage Holdings Inc., a Delaware corporation with its headquarters in Miamisburg, Ohio, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

F. "Verso" means Defendant Verso Paper Corp., a Delaware corporation with its headquarters in Memphis, Tennessee, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

II. OBJECTIVES

The Final Judgment filed in this case is meant to ensure Defendants' prompt divestiture of the Divestiture Mills for the purpose of preserving competition in the sale of coated freesheet web paper, coated groundwood paper, and cut-and-stack label paper and face sheet for pressure sensitive labels in North America in order to remedy the effects that the United States alleges would otherwise result from Verso's acquisition of NewPage. This Hold Separate Stipulation and Order ensures, prior to such divestiture, that the Divestiture Mills remain independent, economically viable, and ongoing business concerns that will be uninfluenced by Verso or NewPage and that competition is maintained during the pendency of the ordered divestiture.

III. JURISDICTION AND VENUE

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action is proper in the United States District Court for the District of Columbia.

IV. COMPLIANCE WITH AND ENTRY OF FINAL JUDGMENT

A. The parties stipulate that a Final Judgment in the form attached hereto as Exhibit A may be filed with and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act ("APPA"), 15 U.S.C. § 16, and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent. The United States may withdraw its consent at any time before the entry of the proposed Final Judgment by serving notice thereof on Defendants and by filing that notice with the Court.

B. Defendants agree to arrange, at their expense, publication as quickly as possible of the newspaper notice required by the APPA, which shall be drafted by the United States in its sole discretion. The publication shall be arranged no later than three (3) business days after Defendants' receipt from the United States of the text of the notice and the identity of the newspaper within which the publication shall be made. Defendants shall promptly send to the United States (1) confirmation that publication of the newspaper notice has been arranged, and (2) the certification of the publication prepared by the newspaper within which the notice was published.

C. Defendants shall abide by and comply with the provisions of the proposed Final Judgment, pending the Judgment's entry by the Court, or until expiration of time for all appeals of any Court ruling declining entry of the proposed Final Judgment, and shall, from the date of

the signing of this Stipulation by the parties, comply with all the terms and provisions of the proposed Final Judgment. The United States shall have the full rights and enforcement powers in the proposed Final Judgment, including Section XI, as though it were in full force and effect as the Final order of the Court.

D. Defendants shall not consummate the transaction sought to be enjoined by the Complaint herein before the Court has signed this Hold Separate Stipulation and Order.

E. This Hold Separate Stipulation and Order shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

F. In the event (1) the United States has withdrawn its consent, as provided in Section IV(A) above; or (2) the proposed Final Judgment is not entered pursuant to this Hold Separate Stipulation and Order, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued compliance with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Hold Separate Stipulation and Order, and the making of this Hold Separate Stipulation and Order shall be without prejudice to any party in this or any other proceeding.

G. Defendants represent that the divestitures ordered in the proposed Final Judgment can and will be made, and that Defendants will later raise no claim of mistake, hardship or difficulty of compliance as grounds for asking the Court to modify any of the provisions contained therein.

V. HOLD SEPARATE PROVISIONS

Until the divestitures required by the Final Judgment have been accomplished:

A. Defendants Verso and NewPage shall continue to operate as independent, ongoing, economically viable competitive businesses. Defendant NewPage will take all steps necessary to preserve and maintain the value and goodwill of the Divestiture Mills. Within twenty (20) days after the entry of the Hold Separate Stipulation and Order, Defendants will inform the United States of the steps they have taken to comply with this Hold Separate Stipulation and Order.

B. Defendant Verso will take all steps necessary to ensure that management of the Divestiture Mills will not be influenced by Verso.

C. Defendants will take all necessary steps to preserve and maintain, in accordance with current practice, the value and goodwill and the existing relationships with each customer, supplier, and others doing business with any of the Divestiture Mills.

D. Defendants shall use all reasonable efforts to maintain and increase the sales and revenues of the products produced by or sold by the Divestiture Mills, and shall maintain at 2014 or previously approved levels for 2015, whichever are higher, all promotional, advertising, sales, technical assistance, marketing and merchandising support for the Divestiture Mills.

E. Defendants shall provide sufficient working capital and lines and sources of credit to continue to maintain the Divestiture Mills as economically viable and competitive, ongoing businesses, consistent with the requirements of Sections V(A) and (B).

F. Defendants shall take all steps necessary to ensure that the Divestiture Mills are fully maintained in operable condition at no less than their current capacity and sales, and shall maintain and adhere to normal repair and maintenance schedules for the Divestiture Mills.

G. Defendants shall not, except as part of a divestiture approved by the United States in accordance with the terms of the proposed Final Judgment, remove, sell, lease, assign, transfer, pledge or otherwise dispose of any assets of the Divestiture Mills.

H. Defendants shall maintain, in accordance with sound accounting principles, separate, accurate and complete financial ledgers, books and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities, expenses, revenues and income of each of their respective operations.

I. Defendants shall take no action that would jeopardize, delay, or impede the sale of the Divestiture Mills.

J. Defendants' employees with primary responsibility for production, operation, distribution, and sales at the Divestitures Mills shall not be transferred or reassigned to other areas within the companies except for transfer bids initiated by employees pursuant to Defendants' regular, established job posting policy. Defendants shall provide the United States with ten (10) calendar days notice of such transfer.

K. Subject to the approval of the United States, Defendants shall appoint a person or persons to manage each Divestiture Mill, and who will be responsible for Defendants' compliance with this section. Such person or persons shall have complete managerial responsibility for each Divestiture Mill, subject to the provisions of the proposed Final Judgment. In the event such person is unable to perform his or her duties, Defendants shall appoint, subject to the approval of the United States, a replacement within 10 working days. Should Defendants fail to appoint a replacement acceptable to the United States within this time period, the United States shall appoint a replacement.

L. Defendants shall take no action that would interfere with the ability of any Divestiture Trustee appointed pursuant to the Final Judgment to complete the divestitures pursuant to the Final Judgment to an Acquirer acceptable to the United States.

VI. DURATION OF HOLD SEPARATE AND ASSET PRESERVATION OBLIGATIONS

Defendants' obligations under Section V of this Hold Separate Stipulation and Order shall remain in effect until (1) consummation of the divestitures required by the proposed Final Judgment or (2) further order of the Court. If the United States voluntarily dismisses the Complaint in this matter, Defendants are released from all further obligations under this Hold Separate Stipulation and Order.

Dated: December 31, 2014

Respectfully submitted,

FOR PLAINTIFF UNITED STATES OF AMERICA:

Karl D. Knutsen
Antitrust Division
U.S. Department of Justice
450 Fifth Street NW, Suite 4100
Washington, D.C. 20530
Phone: (202) 514-0976
Facsimile: (202) 307-5802
E-mail: karl.knutsen@usdoj.gov

FOR DEFENDANT VERSO CORP.:

Jonathan M. Rich
Willard K. Tom
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue NW
Washington, D.C. 20004
Phone: (202) 739-5433
Facsimile: (202) 739-3001
E-mail: jrich@morganlewis.com

FOR DEFENDANT NEWPAGE HOLDINGS INC.:

Daryl A. Libow
Joseph J. Matelis
Sullivan & Cromwell LLP
1700 New York Avenue NW, Suite 700
Washington, D.C. 20006
Phone: (202) 956-7650
Facsimile: (202) 293-6330
E-mail: libowd@sullcrom.com

ORDER

IT IS SO ORDERED by the Court, this ____ day of _____, 201_.

_____
United States District Judge