

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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<i>In re</i>	:	<b>Chapter 11</b>
	:	
<b>NEWPAGE CORPORATION, et al.,</b>	:	<b>Case No. 11-12804 (KG)</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>Jointly Administered</b>
	:	
	:	<b>Related Docket No. 15</b>
	x	

**ORDER (I) AUTHORIZING PAYMENT OF PREPETITION EMPLOYEE OBLIGATIONS AND CONTINUATION OF PREPETITION EMPLOYEE BENEFITS, (II) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS, (III) SCHEDULING A FINAL HEARING FOR APPROVAL OF DEBTORS' COMPENSATION PLANS AS TO INSIDERS, AND (IV) GRANTING CERTAIN OTHER RELIEF**

Upon the motion dated September 7, 2011 (the "Motion"),<sup>2</sup> of NewPage Corporation ("NewPage") and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively with NewPage, the "Debtors"), for an order, pursuant to sections 105(a), 363(b), 363(c), 507(a)(4), and 507(a)(5) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), (i) authorizing the Debtors to pay certain prepetition Employee Obligations, including those arising under prepetition Employee Benefits, and to continue to honor the obligations in the ordinary course, (ii) authorizing banks and financial institutions (the "Banks") to honor and process checks and electronic transfers related to such obligations,

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Chillicothe Paper Inc. (6154), Escanaba Paper Company (5598), Luke Paper Company (6265), NewPage Canadian Sales LLC (5384), NewPage Consolidated Papers Inc. (8330), NewPage Corporation (6156), NewPage Energy Services LLC (1838), NewPage Group Inc. (2465), NewPage Holding Corporation (6158), NewPage Port Hawkesbury Holding LLC (8330), NewPage Wisconsin System Inc. (3332), Rumford Paper Company (0427), Upland Resources, Inc. (2996), and Wickliffe Paper Company LLC (8293). The Debtors' corporate headquarters is located at 8540 Gander Creek Drive, Miamisburg, OH 45342.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.



(iii) scheduling a final hearing (the “Final Hearing”) to consider approval of the Debtors’ Compensation Plans as to any Insiders, and (iv) certain other relief, all as more fully described in the Motion; and the Court having subject matter jurisdiction to consider the Motion and to grant the relief requested therein in accordance with 28 U.S.C. § 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and no trustee, examiner, or statutory creditors’ committee having been appointed in these chapter 11 cases; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “Hearing”); and upon the *Declaration of George F. Martin in Support of the Debtors’ First Day Motions and Applications*, the record of the Hearing, and all of the proceedings had before the Court; and any objections to the Motion having been withdrawn or overruled; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted; and it is further

ORDERED that pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, to the extent permitted by the DIP Documents (as defined the Debtors’ motion filed on the Commencement Date seeking interim and final approval of postpetition financing (the “DIP Motion”)), the Debtors are authorized, but not directed, to make all payments in accordance with the Debtors’ prepetition practices and policies with respect to prepetition Employee Obligations (except for payments as to Insiders under the Compensation Plans), *provided however*, that such

payments shall not exceed 105% of the amounts set forth on Schedule 1 attached hereto, and with respect to wage or benefit payments subject to the statutory priority cap of sections 507(a)(4) and 507(a)(5) will not exceed \$11,725 per Employee; and it is further

ORDERED that pursuant to sections 105(a) and 363(c) of the Bankruptcy Code, the Debtors are authorized, but not directed, to continue to honor the existing Employee Obligations as the same were in effect as of the Commencement Date, in the ordinary course of business; and it is further

ORDERED that the Debtors shall be and hereby are authorized, but not directed, to pay any amounts owing to applicable providers under the Employee Benefits, including, but not limited to, premiums and administrative fees, and to withhold corresponding amounts from participating Employees' paychecks on the same basis and in accordance with the same practices and procedures as in effect prior to the Commencement Date; and it is further

ORDERED that the Debtors are authorized, but not required to pay all servicing fees, costs and expenses incidental to the payment of the Employee Obligations, including all administration and processing costs and payments to outside professionals, in the ordinary course of business, in order to facilitate the administration and maintenance of the Debtors' programs and policies related to the Employees Obligations; and it is further

ORDERED that the Banks are authorized, at the Debtors' request, to receive, honor, process, and pay any and all checks and electronic transfers related to the prepetition Employee Obligations, whether presented before or after the Commencement Date, provided that there are sufficient good funds standing to the Debtors' credit in the applicable accounts to cover such payments and to rely on the representations of the Debtors as to which checks are issued

and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability for following the Debtors' instructions; and it is further

ORDERED that the Banks are authorized to rely on the representations of the Debtors as to which checks or fund transfers are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtors' instructions; and it is further

ORDERED that the Debtors shall be and hereby are authorized to issue in their sole discretion new postpetition checks or effect new postpetition fund transfers on account of the Employee Obligations to replace any prepetition check or fund transfer requests that may be dishonored or rejected; and it is further

ORDERED that the Debtors shall provide to the administrative agent for its debtor in possession financing bi-weekly written reports of the aggregate amount of payments made hereunder for the immediately preceding unreported period and reasonable and timely access to information sufficient to enable such agent to monitor payments made, obligations satisfied, and other actions taken pursuant to this Order; and it is further

ORDERED that nothing in the Motion or this Order shall be deemed to constitute the postpetition assumption of any executory contract between the Debtors and any third party; and it is further

ORDERED that nothing in the Motion or this Order shall be construed as impairing the Debtors' rights to contest the validity, priority, or amount of any Employee Obligation; and it is further

ORDERED that nothing in the Motion or this Order shall be deemed to violate or permit a violation of section 503(c) of the Bankruptcy Code; and it is further

ORDERED that the authorization granted hereby to pay the Employee Obligations shall not create any obligation on the part of the Debtors or their officers, directors, attorneys, or agents to pay the Employee Obligations and none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay any Employee Obligation; and it is further

ORDERED that nothing contained in this Order shall be deemed to increase, reclassify, elevate to administrative expense status or otherwise affect the Employee Obligations to the extent they are not paid; and it is further

ORDERED that to the extent that there may be any inconsistency between the terms of the interim or final order approving the proposed debtor in possession financing, if and when entered, and this Order, the terms of the interim or final order approving the proposed debtor in possession financing, as applicable, shall govern; and it is further

ORDERED that the requirements of Bankruptcy Rule 6003 are satisfied by the contents of the Motion and the arguments and evidence presented at the hearing; and it is further

ORDERED that Bankruptcy Rule 6004(a) is waived, for the purposes of the Motion, and notwithstanding any applicability of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that nothing in this Order shall approve the Debtors' Compensation Plans as to any Insiders before the Final Hearing is held; and it is further


ORDERED that a Final Hearing on the portions of the Motion seeking approval of the Debtors' Compensation Plans as to any Insiders shall be held on OCT. 4, 2011 at 2:00 p.m. (prevailing Eastern Time). Any objections or responses to entry of an order approving payments Insiders under the Compensation Plans shall be filed on [\_\_\_\_\_, \_\_\_\_],

2011 at [\_\_:\_\_\_\_.m.] (prevailing Eastern Time) and served on the following parties: (a) counsel to the Debtors, (i) Dewey & LeBoeuf LLP, 1301 Avenue of the Americas, New York, NY 10019, Attn: Martin J. Bienenstock, Esq., Judy G.Z. Liu, Esq., and Philip M. Abelson, Esq. and (ii) Pachulski Steng Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19801, Attn: Laura Davis Jones, Esq. (b) NewPage Corporation, 8540 Gander Creek Drive, Miamisburg, Ohio 45342, Attn: Douglas Cooper, Esq. (c) The Office of United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801; (d) counsel to JPMorgan Chase Bank, N.A., as administrative agent for the proposed debtor in possession financing, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall Huebner, Esq.; (e) counsel to Wells Fargo Capital Finance LLC, as administrative agent for the prepetition senior secured revolver, Otterbourg, Steindler, Houston & Rosen, P.C., 230 Park Avenue, New York, New York 10169, Attn: Matthew Miller, Esq., John Paul Igoe, Esq., and Jonathan Helfat, Esq.; (f) counsel to Bank of New York Mellon, as indenture trustee for the 11.375% senior secured first-lien notes due 2014, Emmet, Marvin & Martin, LLP, 120 Broadway, 32nd Floor, New York, New York 10271, Elizabeth Frayer, Esq. and Elizabeth Clark, Esq.; (g) counsel to HSBC Bank USA, National Association, as indenture trustee for (i) the 10% fixed rate senior secured second lien notes due 2012, (ii) the floating rate senior secured second lien notes due 2012, (iii) the 12% senior unsecured subordinated notes due 2013, (iv) the floating rate senior unsecured PIK notes due 2013, and (v) the floating rate senior unsecured PIK notes due 2015, Pryor Cashman LLP, 7 Times Square, New York, New York 10036, Attn: Michael Fruchter, Esq. and Sean Connery, Esq.; (f) counsel to the informal group of certain holders of the 10% fixed rate senior secured second lien notes and floating rate senior secured second lien notes, Akin Gump Strauss Hauer & Feld, LLP, One Bryant Park, New York,

NY 10036, Attn: Ira S. Dizengoff, Esq. and Philip Dublin, Esq.; (g) counsel to the *ad hoc* steering committee of certain holders of 11.375% senior secured first lien notes, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, NY 10005, Attn: Dennis Dunne, Esq.; and (k) counsel to any statutory committee appointed in these chapter 11 cases; and it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.

Dated: September 8, 2011  
Wilmington, Delaware



The Honorable Kevin Gross  
Chief Judge, United States Bankruptcy Court

**Schedule 1**

Wages Chart



**Estimate of Employee Related Accrued Liabilities as of the Filing Date**

Note: Amounts in the Motion have been rounded

	Discussion	[A] Entitled to Priority under Section 507	[B] Priority and Trust Fund Taxes	[C] Other	[D] = [A] + [B] + [C] Total	Reference to Paragraph In the Motion
Gross Payroll - Salaried Employees (shown here as net payroll)	Gross wages accrued up to the filing date. Paid as bi-weekly and monthly payrolls become due	\$ 1,824,749			1,824,749	12
Gross Payroll - Hourly Employees (shown here as net payroll)	Gross wages accrued up to the filing date. Paid as weekly and bi-weekly payrolls become due	5,212,234			5,212,234	13
Temporary Personnel	Expenses incurred but not reimbursed up to the filing date			71,353	71,353	16
Sales Incentive Plan	Incentive earned up to the filing date. Q2/2011 payouts will be made in August 2011	175,000			175,000	17
Payroll Taxes	Estimated employee withholding plus Employer portion of FICA		7,366,309		7,366,309	19
Garnishments	Estimated employee withholding			49,199	49,199	20
Ceridian Fee	Amount due Ceridian as of the filing date, invoiced monthly			212,747	212,747	22
Expense Reimbursements	Expenses incurred but not reimbursed up to the filing date. Debtor reimburses AMEX weekly for the majority of the expenses. The remainder is paid to employees as they file expense reports			103,981	103,981	23
Company Cars, Fuel Cars, Vehicle Maintenance	Expense incurred but not paid up to the filing date. Debtor is invoiced monthly			66,400	66,400	24
Cell Phones	Accrued expense up to filing date. Debtor is invoiced monthly			52,029	52,029	25
Relocation Expense Reimbursement	Expenses incurred but not reimbursed up to the filing date			221,486	221,486	26
Medical Insurance Plan	Expected liability under the benefit plans as of the filing date. Claims are paid to BCBS weekly, approx. \$1.3 million and the administration fee is paid monthly	5,241,335			5,241,335	31
Dental Insurance Plan	Expected liability under the benefit plans as of the filing date. Carrier is reimbursed daily	59,446			59,446	32
Vision Insurance Plan	Withheld from employees and vendor is paid by the Debtors	17,011			17,011	33
Life & Accidental Death & Dismemberment Insurance	Estimated accrued premiums as of the filing date	45,600			45,600	34
Supplemental Life and AD&D Insurance	Withheld from employees and vendor is paid by the Debtors	29,558			29,558	35
Dependent Life Insurance	Withheld from employees and vendor is paid by the Debtors	-			-	36
Non Union Short Term Disability Plan	No amounts are due as of the filing date. Claims are paid weekly	40,000			40,000	37
Union Short Term Disability Plan	Accrued premiums as of the filing date	41,200			41,200	38
Non Union Long Term Disability Plan	Accrued premiums as of the filing date	52,200			52,200	39
Union Long-term Disability Plan	Accrued premiums as of the filing date	3,400			3,400	40
Supplemental Disability Insurance - Non-Union	Withheld from employees and vendor is paid by the Debtors	1,556			1,556	41
Voluntary Disability Insurance	Withheld from employees and vendor is paid by the Debtors	-			-	42
Statutory Disability Coverage - NY employees	Premiums are prepaid annually	-			-	43
Travel Accident Insurance	Premiums are prepaid annually	-			-	44
Employee Assistance Plan	Accrued premiums as of the filing date. Premiums are monthly	6,200			6,200	45
Retiree Medical and Prescription Drug Coverage	Accrued premiums and administration fee as of the filing date	500,000			500,000	46
Retiree Dental, Life Insurance and Death Benefits	Accrued premiums as of the filing date	12,940,000			12,940,000	50
Medical Plan Administrator Fee	Amount due as of the filing date, invoiced monthly			224,488	224,488	51

Exhibit \_\_\_\_\_

Estimate of Employee Related Accrued Liabilities as of the Filing Date

Note: Amounts in the Motion have been rounded

	Discussion	[A] Entitled to Priority under Section 507	[B] Priority and Trust Fund Taxes	[C] Other	[D] = [A] + [B] + [C] Total	Reference to Paragraph In the Motion
Holiday Pay	Holiday Pay earned but not taken. Employees receive wages for established holidays according to the Debtors' established holiday schedule	3,391,902			3,391,902	53
Vacation Obligations	Vacation earned but not taken. It is expected that Employees will primarily use their Vacation time during the remainder of 2011 and will only be paid for unused time in accordance with the Debtors' Vacation Policy	36,287,853			36,287,853	59
401k	Accrued liability as of the filing date. The Debtors' contribution to the plan is funded weekly	1,797,621			1,797,621	64
Flexible Spending Account	Withheld from employees and vendor is paid by the Debtors	51,564			51,564	66
Health Savings Account	Accrued amount as of the filing date	500			500	67
Executive MBA Program	Expenses incurred but not reimbursed up to the filing date			26,000	26,000	69
Auto and Home Loans	Withheld from employees and vendor is paid by the Debtors			-	-	70
Long-Term Care	Withheld from employees and vendor is paid by the Debtors				-	71
Critical Illness Plan	Withheld from employees and vendor is paid by the Debtors	1,216			1,216	72
Other Benefits (union dues, charitable contributions, memberships, fund raising, safety equipment)	Withheld from employees and vendor is paid by the Debtors			119,893	119,893	73
Short-Term Incentive Plan	Accrued amount as of the filing date. First payment is scheduled for Q1/2012 for the H2/2011 period. Recipients must be employed as of the date of the award is paid with certain exceptions			6,400,000	6,400,000	76
Profit Sharing Plan	No prepetition amounts are due since performance metrics were not met prior to termination of the plan			-	-	77
Performance Excellence Plan	The Debtors are not seeking authorization to make any payments under this plan			1,900,000	1,900,000	78
Non-Insider Retention Plan	Accrued amount as of the filing date. Payments are scheduled for Sept 30, 2011 and Dec 31, 2011. Recipients must be employed as of the determination date with certain exceptions			1,420,000	1,420,000	79
Union Emp Gainsharing Plan	Accrued amount as of the filing date. Quarterly payment schedule (payment is made in the month following the quarter). Participants must be employed as of the last day of the quarter			525,264	525,264	84
Spot Bonus Program	Accrued amount as of the filing date			-	-	82
Service Awards	Accrued amount as of the filing date			17,000	17,000	83
Long-Term Incentive Plan	Accrued amount as of the filing date. Payment is scheduled for early 2013. Participants must be employed as of December 31, 2012			4,100,000	4,100,000	84
Former Severance Plan	Accrued and unpaid prepetition obligations			3,184,622	3,184,622	93
<b>Total Prepetition Liability</b>		<b>\$ 67,720,145</b>	<b>\$ 7,366,309</b>	<b>\$ 18,694,462</b>	<b>\$ 93,780,915</b>	<b>8</b>