

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

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<i>In re</i>	:	<b>Chapter 11</b>
NEWPAGE CORPORATION, <i>et al.</i> ,	:	Case No. 11-12804 (KG)
Debtors. <sup>1</sup>	:	Jointly Administered
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**ORDER PURSUANT TO SECTIONS 105(a) AND 331 OF THE  
BANKRUPTCY CODE AND BANKRUPTCY RULE 2016(a) AND  
LOCAL RULE 2016-2 ESTABLISHING PROCEDURES FOR INTERIM  
COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

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”) pursuant to sections 105(a) and 331 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for an order establishing procedures for the allowance and payment of interim compensation and reimbursement of expenses of attorneys and other professionals retained in the Debtors’ chapter 11 cases whose retentions are authorized by this Court pursuant to section 327 or 1103 of the Bankruptcy Code (collectively, the “Professionals”), all as more fully described in the Motion, and the Court having subject

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<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.



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 or examiner having been appointed in these chapter 11 cases; and on September 21, 2011, the U.S. Trustee having appointed the Statutory Committee of Unsecured Creditors (the “Creditors’ Committee”) in the above-captioned cases [Docket No. 191]; 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 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 as may be modified herein; and it is further

ORDERED that, except as may otherwise be provided in orders of the Court authorizing the retention of specific Professionals, all Professionals in these cases may seek interim payment of compensation and reimbursement of expenses in accordance with the following procedures (the “Interim Compensation Procedures”):

- a. On or before the 25th day of each calendar month, or as soon as practicable thereafter (but not earlier than the 15th day of each calendar month), each Professional may file an application (a “Monthly Fee Application”) with the Court for interim approval

and allowance of compensation for services rendered and reimbursement of expenses incurred during any preceding month or months, and serve a copy of such Monthly Fee Application by overnight mail on each of the following parties:

- i. the Debtors, NewPage Corporation, *et al.*, 8540 Gander Creek Drive, Miamisburg, Ohio 45342, Attn: Douglas K. Cooper;
- ii. co-attorneys to the Debtors, Dewey & LeBoeuf LLP, 1301 Avenue of the Americas, New York, NY, 10019, Attn: Judy G.Z. Liu, Esq., and Philip M. Abelson, Esq.;
- iii. co-attorneys to the Debtors, Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, DE 19801, Attn: Laura Davis Jones, Esq.;
- iv. the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801 (re: *In re NewPage Corp., et al.*);
- v. co-attorneys to the Creditors' Committee, Paul Hastings LLP, 75 East 55th Street, New York, NY 10022, Attn: Luc A. Despins, Esq.; and 875 15th Street NW, Washington, DC 20005, Attn: Robert E. Winter;
- vi. co-attorneys to the Creditors' Committee, Young Conaway Stargatt & Taylor LLP, 1000 West Street, 17th Floor, Wilmington, DE 19801, Attn: James L. Patton, Jr., Esq.; and
- vii. counsel to JPMorgan Chase Bank, N.A., as administrative agent for the Debtors' proposed postpetition financing facility (only if and when such financing is approved), Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY 10017, Attn: Marshall S. Huebner (collectively, with (i) -(v) above, the "Notice Parties").

Any Professional that fails to file a Monthly Fee Application for a particular month or months may subsequently submit a consolidated Monthly Fee Application for such month or months. All Monthly Fee Applications shall comply with the Bankruptcy Code, the Bankruptcy Rules, the applicable Third Circuit law, and Rule 2016-2 of the Local Bankruptcy Rules for the District of Delaware (the "Local Rules").

- b. In accordance with the procedures described in subparagraph (c) below, each Notice Party must file and serve upon the Professional

that filed the Monthly Fee Application and the other Notice Parties, so as to be received on or before 4:00 p.m. (prevailing Eastern Time) on the 20th day (or the next business day if such day is not a business day) following service of the Monthly Fee Application (the "Objection Deadline") any objection to the requested fees and expenses. Upon expiration of the Objection Deadline, a Professional may file a certificate of no objection (a "CNO") with the Court with respect to the unopposed portion of the fees and expenses requested in its Monthly Fee Application. After a CNO is filed, the Debtors are authorized and directed to pay the Professional an amount (the "Permitted Monthly Payment") equal to the lesser of (i) 80% of the fees and 100% of the expenses requested in the applicable Monthly Fee Application (the "Maximum Monthly Payment") and (ii) the Maximum Monthly Payment less the portion thereof subject to objection (the "Incremental Amount") pursuant to subparagraph (c) below.

- c. If any Notice Party wishes to object to a Professional's Monthly Fee Application, it must (i) file a written objection (an "Objection") with the Court on or before the Objection Deadline and (ii) serve the Objection on the Professional that filed the Monthly Fee Application and each of the other Notice Parties so it is received by each of these parties on or before the Objection Deadline. Thereafter, the objecting party and the affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution of the Objection, the affected Professional may either (i) file a request with the Court for payment of the fees and expenses that are subject to the Objection or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court may consider and dispose of the Objection if requested by the parties.
- d. Each Professional may submit its first Monthly Fee Application no earlier than the 15th day of the second full month of the Debtors' cases. This initial Monthly Fee Application will cover the period from the Commencement Date through the end of the full month preceding the filing date of the Monthly Fee Application. Accordingly, no Professional should submit a first Monthly Fee Application in these chapter 11 cases prior to November 15, 2011. Thereafter, the Professionals may file Monthly Fee Applications in the manner described above.
- e. At three-month intervals or such other intervals convenient to the Court (the "Interim Fee Period"), each of the Professionals may file with the Court and serve on the Notice Parties a request (an "Interim Fee Application Request") for interim Court approval and

allowance of the payment of compensation and reimbursement of expenses sought by such Professional in its Monthly Fee Applications, including any holdbacks, filed during the Interim Fee Period, pursuant to section 331 of the Bankruptcy Code. The Interim Fee Application Request must include a brief description identifying the following:

- i. the Monthly Fee Applications that are the subject of the request;
- ii. the amount of fees and expenses requested;
- iii. the amount of fees and expenses paid to date or subject to an Objection;
- iv. the deadline for parties other than the Notice Parties to file objections (the "Additional Objections") to the Interim Fee Application Request; and
- v. any other information requested by the Court or required by the Local Rules.

Objections, if any, to the Interim Fee Application Requests shall be filed and served upon the Professional that filed the Interim Fee Application and the other Notice Parties so as to be received on or before the 20th day (or the next business day if such day is not a business day) following service of the applicable Interim Fee Application Request.

- f. The Debtors will request that the Court schedule a hearing on the Interim Fee Application Requests at least once every six months. The Debtors, however, may request that a hearing be held every three months or at such other intervals as the Court deems appropriate. If no Objections are pending and no Additional Objections are timely filed, the Court may grant an Interim Fee Application Request without a hearing.
- g. The first Interim Fee Period will cover the month in which the Commencement Date occurs and the three full months immediately following such month. Thus, as applicable to these chapter 11 cases, the first Interim Fee Period will cover September 7, 2011, through December 31, 2011. Each Professional must file and serve its first Interim Fee Application Request on or before the 45th day following the end of the first Interim Fee Period. Accordingly, the first Interim Fee Application Requests must be filed on or before February 14, 2012.

- h. The pendency of an Objection to payment of compensation or reimbursement of expenses will not disqualify a Professional from the future payment of compensation or reimbursement of expenses under the Interim Compensation Procedures. Any Professional that fails to file a Monthly Fee Application or an Interim Fee Application Request when due or permitted will be ineligible to receive further interim payments of fees or reimbursement of expenses under the Interim Compensation Procedures until such time as a Monthly Fee Application or Interim Fee Application Request is submitted by the Professional. There will be no other penalties for failing to file a Monthly Fee Application or an Interim Fee Application Request in a timely manner.
- i. Neither (i) the payment of or the failure to pay, in whole or in part, interim compensation and/or the reimbursement of or the failure to reimburse, in whole or in part, expenses under the Interim Compensation Procedures nor (ii) the filing of or failure to file an Objection will bind any party in interest or the Court with respect to the final allowance of applications for payment of compensation and reimbursement of expenses of Professionals. All fees and expenses paid to Professionals under the Interim Compensation Procedures are subject to disgorgement until final allowance by the Court; and it is further.

ORDERED that each member of any statutory committee be permitted to submit statements of expenses (excluding third-party attorney or other professional fees or expenses of individual committee members) and supporting vouchers to the respective committee's counsel, which counsel will collect and submit for reimbursement in accordance with the Interim Compensation Procedures; and it is further

ORDERED, that the notice of interim and final fee application requests is limited to (a) the Notice Parties and (b) all parties that have filed a notice of appearance with the Clerk of this Court, pursuant to Bankruptcy Rule 2002 and Local Rule 2016-2, and requested such notice; and it is further

ORDERED that (a) the Notice Parties be entitled to receive the Monthly Fee Applications, any Interim Fee Application Requests, any final fee application requests, and any

Hearing Notices, and (b) all other parties entitled to notice shall be entitled to receive only the Hearing Notices, and it is further


ORDERED that the amount of fees and disbursements sought be set out in U.S. dollars; and it is further

ORDERED that the Debtors shall include all payments to Professionals on their monthly operating reports, reflecting the amount paid to each of the Professionals as of the date of such report; and it is further

ORDERED that all time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a); and it is further

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

Dated: October 4, 2011  
Wilmington, Delaware

  
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The Honorable Kevin Gross  
Chief Judge, United States Bankruptcy Court