

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C, 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF A PROCEEDING IN THE UNITED KINGDOM OF
TULLIS RUSSELL PAPERMAKERS LIMITED (IN ADMINISTRATION)**

**APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR
OF KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, c. B-3, AS AMENDED**

APPLICATION RECORD

**(Re: Recognition of Foreign Main Proceeding and Supplemental Order
Returnable July 14, 2015)**

July 13, 2015

McCarthy Tétrault LLP
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6
Fax: (416) 868-0673

Jamey Gage LSUC#: 34676I
Tel: (416) 601-7539
Email: jgage@mccarthy.ca

Kelly Peters LSUC#: 59914W
Tel: (416) 601-8281
Email: kpeters@mccarthy.ca

Lawyers for the Applicants

Court File No:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C, 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF A PROCEEDING IN THE UNITED KINGDOM OF
TULLIS RUSSELL PAPERMAKERS LIMITED (IN ADMINISTRATION)**

**APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR
OF KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, c. B-3, AS AMENDED**

INDEX

TAB NO.	DOCUMENT	
1.	Notice of Application returnable on July 14, 2015	
2.	Affidavit of Blair Carnegie Nimmo sworn on July 13, 2015	
	Exhibit "A"	Joint Administrators' Proposal
	Exhibit "B"	Certified copies of Tullis Russell Papermakers Limited (i) Notice of Intention to Appoint the Joint Administrators (ii) Notice of Appointment of the Joint Administrators (iii) statement pursuant to paragraph 100(2) of Schedule B1 to the <i>Insolvency Act 1986</i> , (iv) Statements of the Proposed Joint Administrators
	Exhibit "C"	Excerpts of <i>The Insolvency Act 1986</i> setting out the powers as Joint Administrators
	Exhibit "D"	Statement of all known bankruptcy and Insolvency Proceedings of Tullis Russell Papermakers Limited
3.	Proposed Draft of the Initial Recognition Order	
4.	Blackline of Proposed Initial Recognition Order to Model Order	
5.	Proposed Draft of the Supplemental Order	

TAB NO.	DOCUMENT	
6.		Blackline of Proposed Draft of the Supplemental Order to Model Order
7.		Consent of the Proposed Information Officer

TAB 1

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C, 1985, c.
B-3, AS AMENDED**

**AND IN THE MATTER OF A PROCEEDING IN THE UNITED KINGDOM OF
TULLIS RUSSELL PAPERMAKERS LIMITED (IN ADMINISTRATION)**

**APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR
OF KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, c. B-3, AS AMENDED**

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicants. The claim made by the Applicants appears on the following page.

THIS APPLICATION will come on for a hearing on July 14, 2015, at 10:00 am at 330 University Avenue, Toronto.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date July 13, 2015

Issued by _____

Local registrar

Address of court office 330 University Avenue
Toronto, Ontario
M5G 1R7

APPLICATION

1. Mr. Blair Carnegie Nimmo and Mr. Gerard Anthony Friar of KPMG LLP, in their capacity as joint administrators (the “**Joint Administrators**”) of Tullis Russell Papermakers Limited (“**TRP**” or the “**Debtor**”) in its administration proceeding commenced in the United Kingdom pursuant to *The Insolvency Act 1986* (c. 45) (the “**TRP Administration**”), make this Application for the following relief:

Initial Recognition Order

- (a) an order abridging the time for service and validating service of this Notice of Application and Application Record and dispensing with further service thereof;
- (b) a declaration that the Joint Administrators are “foreign representatives” of the Debtor pursuant to section 268 of the *Bankruptcy and Insolvency Act* (R.S.C., 1985, c. B-3) (the “**BIA**”);
- (c) a declaration that the TRP Administration is recognized as a “foreign main proceeding” as such term is defined in section 268 of the *BIA*;
- (d) an Order staying all proceedings against the Debtor until such further order of the Court;
- (e) an Order directing the Joint Administrators to cause to be published a notice containing the prescribed information required by subsection 276(b) of the *BIA* once a week for two consecutive weeks in National Post;
- (f) such further and other relief as counsel may advise and this Honourable Court may permit.

Supplemental Order

- (a) an order appointing KPMG Inc. as the information officer in respect of this proceeding (the “**Information Officer**”);
- (b) an order staying all claims, rights or proceedings against or in respect of the Joint Administrators, TRP, the business and property of TRP and the directors and officers of TRP;
- (c) an order restraining the right of any person or entity to, among other things, discontinue or terminate any supply of product or services to TRP;
- (d) such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE APPLICATIONS ARE:

A. CORPORATE OVERVIEW

1. TRP is a duly incorporated corporation under the laws of Scotland.
2. Prior to the TRP Administration, TRP produced premium paper and board products for end customers operating in a wide range of sectors, including cosmetics, pharmaceuticals, food and beverages, audio visual and IT.
3. TRP operated from premises and were principally managed from its registered office in Markinich, Fife, Scotland.

B. THE TRP ADMINISTRATION

4. The papermaking industry has been in long term decline as media, consumers and other outlets have moved from paper to digitally-based products. In recent years, TRP has incurred substantial trading losses as a result of significant challenges adversely impacting the papermaking industry, weakening global demand and downward pressure on margins. TRP was also materially affected by a number of specific issues, including volatile raw material prices and unfavourable currency movements.
5. Accordingly, on April 23, 2015, TRP's directors resolved to place TRP in administration and on April 27, 2015, the Joint Administrators were appointed pursuant the United Kingdom's insolvency legislation.
6. Since a purchaser for TRP's business and assets as a going concern has not been identified, the TRP Administration is now focused on implementing an orderly wind down plan and piecemeal realization of TRP's assets, including the sale of a wide range of specialized papermaking plant and equipment and other asset.

C. THE GROUNDS FOR THE RECOGNITION ORDER

(a) The Joint Administrators are “Foreign Representatives”

7. Pursuant to subsection 270(1) of the *BIA*, the Ontario Superior Court of Justice (the “**Court**”) has the jurisdiction to grant an order recognizing the TRP Administration (the “**Recognition Order**”) if it is satisfied that (a) the Joint Administrators are “foreign representatives”, and (b) the Application relates to a “foreign proceeding”.

8. A “foreign representative”, as defined by subsection 268(1) of the *BIA*, is a person or a body, including one appointed on an interim basis, who is authorized, in a foreign proceeding in respect of a debtor to:

- (b) administer the debtor’s property or affairs for the purpose of reorganization or liquidation; or
- (c) act as a representative in respect of the foreign proceeding.

9. The Joint Administrators are appointed under UK insolvency legislation to carry out a broad mandate of rescuing TRP as a going concern or achieving a better result for TRP’s creditors as a whole than would be likely if TRP were wound up, or in the alternative, realizing upon the property of TRP in order to make a distribution to one or more secured or preferential creditors. These objectives are in substance reorganization or liquidation goals. Accordingly, the Joint Administrators are “foreign representatives” of TRP for the purposes of 270(1) of the *BIA*.

(b) The TRP Administration is a “Foreign Proceeding”

10. A “foreign proceeding”, as defined by subsection 268(1) of the *BIA*, is a judicial or an administrative proceeding, including an interim proceeding, in a jurisdiction outside Canada dealing with creditor’s collective interests generally under any law relating to bankruptcy or insolvency in which a debtor’s property and affairs are subject to control or supervision by a foreign court for the purpose of reorganization or liquidation.

11. Based on the nature of the TRP Administration as described in the affidavit of Mr. Nimmo sworn on July 13, 2015, the TRP Administration constitutes a “foreign proceeding” pursuant to subsection 270(1) of the *BIA*.

12. When granting recognition orders pursuant to subsection 270(1) of the *BIA*, the Court is required by subsection 270(2) of the *BIA* to specify in the order itself whether the foreign proceeding is a “foreign main proceeding” or a “foreign non-main proceeding”:

- (a) a “foreign main proceeding” is a foreign proceeding in a jurisdiction where the debtor has the centre of the debtor’s main interest; and
- (b) a “foreign non-main proceeding” is a foreign proceeding, other than a foreign main proceeding.

13. TRP’s centre of main interest is the United Kingdom and, therefore, the TRP Administration constitutes a “foreign main proceeding” as defined in subsection 268(1) of the *BIA* and ought to be recognized as a “foreign main proceeding” pursuant to section 270 of the *BIA*.

(c) **The Stay of Proceedings is Appropriate**

14. Pursuant to subsection 271(1)(a) of the *BIA*, the Court shall, in the case of a foreign main proceeding, exercise its jurisdiction to prohibit the commencement or continuation of any action, execution or other proceedings concerning the debtor’s property, debts, liabilities or obligations.

15. The stay of proceedings in Canada is necessary to protect the efforts of the Joint Administrators in the TRP Administration.

D. THE GROUNDS FOR THE SUPPLEMENTAL ORDERS

16. Pursuant to 275(1) of the *BIA*, the Court shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding.

17. The Joint Administrators seek the appointment of the Information Officer, which will assist both the Court and Canadian stakeholders of TRP.

18. The Joint Administrators also seek a broad stay of proceedings in place to protect, among other things, the TRP's assets in Canada, and permit the Joint Administrators time carry out its mandate, in order to maximize stakeholder value.

19. Granting the Joint Administrators the supplemental relief requested will advance the fair and efficient administration of cross-border insolvencies and is appropriate in the circumstances.

E. GENERAL

20. The provisions of the *BIA*, including Part XIII;

21. The *Rules of Civil Procedure*;

22. Such further and other grounds as counsel may advise and the Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the application:

(a) The Affidavit of Mr. Blair Carnegie Nimmo sworn July 13, 2015, and exhibits thereto;

(b) Such further evidence as counsel may advise and the Court may permit.

July 13, 2015

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

James D. Gage LSUC#: 346761
Tel: 416-601-7539
Fax: 416-868-0673

Kelly Peters LSUC#: 59914W
Tel: 416-601-8281
Fax: 416-868-0673

Lawyers for the Applicants

**APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR OF
KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C., 1985, c. B-3, AS AMENDED.**

Court File No:

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF APPLICATION

McCarthy Tétrault LLP
Suite 5300, P.O. Box 48
Toronto Dominion Bank Tower
Toronto ON M5K 1E6

James D. Gage LSUC#: 34676I
Tel: 416-601-7539
Fax: 416-868-0673

Kelly Peters LSUC#: 59914W
Tel: 416-601-8281
Fax: 416-868-0673

Lawyers for the Applicants

#14669981

TAB 2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C, 1985, c. B-3,
AS AMENDED**

**AND IN THE MATTER OF A PROCEEDING IN THE UNITED KINGDOM OF TULLIS
RUSSELL PAPERMAKERS LIMITED (IN ADMINISTRATION)**

**APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR
OF KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND INSOLVENCY
ACT, R.S.C., 1985, c. B-3, AS AMENDED.**

AFFIDAVIT OF BLAIR CARNEGIE NIMMO
(Sworn July 13th, 2015)

I, Blair Carnegie Nimmo, of Glasgow, Scotland MAKE OATH AND SAY that:

1. I am the head of the Restructuring Group of KPMG LLP in Scotland. I am also one of the appointed joint administrators of Tullis Russell Papermakers Limited (“TRP”) in its administration proceeding commenced in the United Kingdom pursuant to *The Insolvency Act 1986* (c. 45) (the “TRP Administration”). As such, I have personal knowledge of the matters to which I herein depose. Where the sources of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and verily believe it to be true.
2. This affidavit is sworn in support of the application for orders, *inter alia*, recognizing the TRP Administration as a “foreign main proceeding” pursuant to Part XIII of the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”) and certain supplemental relief.

Background

3. TRP was incorporated on May 21, 1906 and is a duly incorporated corporation under the laws of Scotland. Although incorporated in 1906, TRP has long standing roots in Scotland dating back to as early as 1809. Presently, TRP is a wholly owned subsidiary of Tullis Russell Group Limited.

4. Prior to the TRP Administration, TRP produced premium paper and board products for end customers operating in a wide range of sectors, including cosmetics, pharmaceuticals, food and beverages, audio visual and IT. A more detailed description of TRP's business and its operations can be found in our initial statutory report to creditors (the "**Joint Administrators' Proposals**") prepared by myself and my colleague, Mr. Friar, in our capacity as joint administrators of TRP (the "**Joint Administrators**"). A copy of the Joint Administrators' Proposals is attached hereto as **Exhibit "A"**.

5. Prior to the commencement of the TRP Administration, TRP operated from premises and were principally managed from its registered office in Markinich, Fife, Scotland. Specifically, through my appointment as a Joint Administrator, I understand that:

- (a) the corporate decisions of TRP are made in the United Kingdom;
- (b) the employee administrations of TRP, including human resource functions are managed from the United Kingdom;
- (c) TRP's marketing and communication functions are in the United Kingdom;
- (d) TRP's corporate, banking, strategic and management functions are in the United Kingdom;

- (e) all accounting functions, including cash management, are managed from the United Kingdom; and
- (f) management of accounts receivable and accounts payable of TRP are in the United Kingdom.

6. In light of the above, and subject to this Court's determination, it is my view that the "centre of main interest" of TRP is the United Kingdom, and accordingly, the TRP Administration ought to be recognized as a "foreign main proceeding" in accordance with the UNICITRAL Model Law on Cross-Border Insolvency and the BIA.

TRP's Business Activities in Canada

7. Prior to TRP's Administration, TRP delivered and sold various types of paper products to a small number of customers in Canada, with a majority of sales made to one customer based in Ontario, Canada.

8. TRP does not have a place of business in Canada, but it does routinely solicit orders for delivery of goods to customers in Canada. Accordingly, there is paper inventory owned by TRP in Canada which is stored at a third-party warehouse in Windsor, Ontario. Currently, the inventory held at the warehouse totals approximately \$1.86 million as at July 9, 2015. Our current intention is to sell the remaining inventory to TRP's main customer in Canada during the course of the TRP Administration.

9. The only other assets of TRP located in Canada are account receivables owing by certain customers, which we will undertake to collect as part of our duties as Joint Administrators.

10. As at the date of our appointment, TRP did not have any outstanding secured debt. The principal creditor in Canada is the Canadian Revenue Agency (the “CRA”). The CRA is owed certain tax remittances that arose prior to our appointment as Joint Administrators.

11. TRP has no employees located in Canada as all sales into Canada were facilitated through its sales office in the United States or head office in Scotland.

Financial Difficulties

12. As described in the Joint Administrators’ Proposals, the papermaking industry has been in long term decline as media, consumers and other outlets have moved from paper to digitally-based products. In recent years, TRP has incurred substantial trading losses as a result of significant challenges adversely impacting the papermaking industry, weakening global demand and downward pressure on margins. TRP was also materially affected by a number of specific issues, including volatile raw material prices and unfavourable currency movements.

13. Prior to the commencement of the TRP Administration, with the assistance of KPMG Corporate Finance, TRP undertook a comprehensive sales process in October 2014 that continued until April 2015 with the view of selling the business on a going concern basis. Despite conducting an extensive marketing process, ultimately no buyer was found.

The TRP Administration

14. With a negative outlook for future trading due to challenging trading conditions and the insolvency of its third largest customer in April 2015 (which represented approximately 9.2 % of TRP’s total sales), TRP’s directors concluded, acting in the best interests of the company’s creditors, that it was appropriate to appoint administrators.

15. Accordingly, on April 23, 2015, TRP's directors resolved to place TRP in administration and on April 27, 2015, Mr. Friar and I of KPMG LLP were appointed Joint Administrators of TRP pursuant to the United Kingdom's insolvency legislation. Certified copies of TRP's (i) Notice of Intention to Appoint the Joint Administrators, (ii) Notice of Appointment of the Joint Administrators, (iii) statement pursuant to paragraph 100(2) of Schedule B1 to the *Insolvency Act 1986*, and (iv) Statements of the Proposed Joint Administrators, which were lodged with the Court of Session in Edinburgh, Scotland, are attached hereto as **Exhibit "B"**.

16. The TRP Administration is a court-supervised judicial proceeding. As a Joint Administrator, I am an officer of the court, and I am required by law to, among other things, report to the court following the initial creditors meeting in respect of any decision taken in relation to the proposals of the Joint Administrators, and any subsequent material revisions to such proposals. As an administrator, I also have the ability to apply to the court for directions in connection with any of my functions.

17. As set out in *The Insolvency Act 1986* (c. 45), an administrator of a company must perform his or her functions with the objective of (a) rescuing the company as a going concern, (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or (c) realising property in order to make a distribution to one or more secured or preferential creditors. As mandated by our insolvency legislation, I am required to perform my function in the interest of TRP's creditors collectively.

18. As a Joint Administrator, I am authorized under UK insolvency law to administer TRP's property or affairs for the purpose of reorganization or liquidation. Specifically, on our

appointment as Joint Administrators and pursuant *The Insolvency Act 1986* (c. 45), Mr. Friar and I, in our capacity as Joint Administrators, took custody and control of all the property of TRP and were charged with managing the affairs, business and property of TRP in accordance with the proposals approved by TRP's creditors. Accordingly, in this role, we are authorized by statute to act as agents for TRP and may do anything necessary or expedient for the management of the affairs, business and property of TRP. A copy of the applicable provisions of *The Insolvency Act 1986* (c. 45) setting out our powers as Joint Administrators is attached as **Exhibit "C"**.

19. Following our appointment as Joint Administrators, we re-contacted parties that had previously been contacted in TRP's prior sales process to confirm whether they would have an interest in acquiring TRP's business on an asset basis as opposed to a share sale. We also broadened our solicitation efforts and contacted distressed investors to determine if there was interest in acquiring the business and assets. Ultimately, no expressions of interest were received within the deadlines set which confirmed the lack of interest in the business.

20. Since a purchaser for TRP's business and assets as a going concern has not been identified, the TRP Administration is now focused on implementing an orderly wind down plan and piecemeal realization of TRP's assets, including the sale of a wide range of specialized papermaking plants and equipment and other assets. Following this realization process, it is anticipated that the most likely exit route of these proceedings will be through conversion of the TRP Administration to a creditors' voluntary liquidation.

21. Other than the TRP Administration, I am not aware of any other bankruptcy or insolvency proceedings outside of Canada involving TRP that are controlled or supervised by a

court for the purpose of a reorganization or liquidation. A statement of all known bankruptcy and insolvency proceedings of TRP is attached as **Exhibit “D”** in accordance with subsection 269(2)(c) of the BIA.


Relief Sought

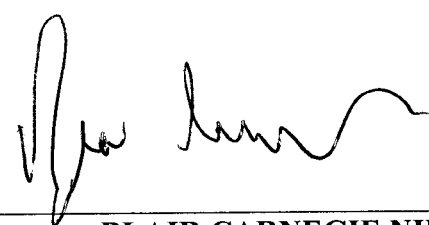
22. For the purposes of ensuring that all interested parties coordinate and cooperate in these insolvency proceedings, we are seeking recognition of the TRP Administration as a “foreign main proceeding” under the BIA.

23. To assist with these efforts, we have requested the appointment of KPMG Inc. as the proposed Information Officer in Canada. I understand that KPMG Inc. consents to act as proposed Information Officer and will be executing a consent to act in this role that will be filed with this application.

24. I understand the relief requested is consistent with relief granted by Canadian Courts in applications for foreign recognition in Canada, and will provide the necessary “breathing space” for the Joint Administrators to carry out our mandate in the TRP Administration.

25. I make this affidavit in support of the within application and for no other or improper purpose.

SWORN BEFORE ME in)
Glasgow this 13th day of)
 July, 2015.)
)
 _____)
 Commissioner for Taking
 Affidavits
 SIMON LAMB, SOLICITOR,
 c/o CMS CAMERON MCKENNA LLP,
 191 WEST GEORGE STREET,
 GLASGOW, SCOTLAND, UK



 BLAIR CARNEGIE NIMMO

TAB A



cutting through complexity™

Tullis Russell Papermakers Limited - in Administration

Joint Administrators' proposals

17 June 2015

This is Exhibit "A" referred to in the
affidavit of Blair Carnegie Nimmo
sworn before me, this 13th
day of July 2015.

A COMMISSIONER FOR TAKING AFFIDAVITS

SIMON LAMB, SOLICITOR,
C/O CMS CAMERON MCKENNA LLP
191 WEST GEORGE STREET,
GLASGOW, G2 2LD,
SCOTLAND, UK



Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+TF427D5259.html>. We hope this is helpful to you.

Please also note that an important legal notice about this statement of proposals is attached (Appendix 6).





Contents

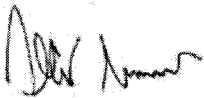
1	Executive summary	1
2	Background and events leading to the administration	3
3	Strategy and progress of the administration to date	4
4	Dividend prospects	12
5	Ending the administration	13
6	Approval of proposals and creditors' meeting	14
7	Joint Administrators' remuneration and outlays, disbursements and pre-administration costs	15
8	Summary of proposals	15
Appendix 1	Statutory information	18
Appendix 2	Joint Administrators' receipts and payments account	19
Appendix 3	Joint Administrators' charging and disbursements policy	21
Appendix 4	Statement of Affairs, including creditor list	29
Appendix 5	Glossary	45
Appendix 6	Notice: About this statement of proposals	46



1 Executive summary

- In recent years, TRP incurred substantial trading losses as a result of significant challenges adversely impacting the papermaking industry, weakening global demand and downward pressure on margins.
- TRP was also materially affected by a number of specific issues, including volatile raw material prices and unfavourable currency movements.
- Recognising the industry-wide decline and the need for consolidation, TRP's directors took steps to seek a buyer for the business, with a comprehensive sales process commenced in October 2014. This process continued until April 2015, but ultimately no buyer was found.
- As a consequence, and also due to projected challenging trading conditions and the insolvency of its third largest customer, Paperlinx UK, in April 2015, TRP's directors concluded that, acting in the best interests of the company's creditors, it was appropriate to appoint administrators. Accordingly, we - Blair Nimmo and Tony Friar of KPMG - were appointed Joint Administrators of TRP on 27 April 2015. (see Section 2 - Background and events leading to the administration)
- In light of the negative outlook for future trading, and as a recent comprehensive sales process had already been undertaken with no party expressing an interest in acquiring TRP, continued trading on a full scale basis was not considered to be in creditors' interests. Furthermore, manufacturing of paper had already ceased in the weeks immediately preceding TRP's administration.
- As a consequence, upon our appointment it was necessary to take immediate steps to reduce TRP's costs to a level commensurate with the reduced operational activity. Unfortunately, this resulted in 325 of TRP's employees being made immediately redundant.
- Our initial strategy focused on assisting those employees who were made redundant with completing their claims to the RPO and on maximising value for TRP's assets. This included: converting WIP to finished goods; selling remaining finished goods products; and securing all necessary records to commence the collection of TRP's book debts.
- In tandem, the sales process run prior to our appointment was reignited and extended to establish if any party had an interest in acquiring TRP on a business and assets basis. However, it became clear that achieving a going concern sale of all or significant parts of TRP's business and assets was unlikely.
- Accordingly, plant and machinery agents have now been appointed to sell TRP's tangible assets on a piecemeal basis. Separate sales processes for TRP's brands/intellectual property and its Electrical Crepe Paper business remain ongoing.
- At the date of our appointment, TRP had no outstanding secured debt. (see Section 4.1 – Secured creditors)
- We expect that TRP's preferential creditors will be paid in full. (see Section 4.2 – Preferential creditors)
- We anticipate that unsecured creditors will receive a dividend, however, the amount and timing of such a dividend is currently uncertain. (see Section 4.3 – Unsecured creditors)
- At this stage, we anticipate the most likely exit route from administration will be by conversion to a creditors' voluntary liquidation. (see Section 5 - Ending the administration)
- A meeting of TRP's creditors is scheduled on 2 July 2015 at 10am to consider our proposals. (see Section 6 - Creditors' meeting)

- We propose that our remuneration be drawn on the basis of time properly given by us and the various grades of our staff. We will seek approval for this from the Creditors' Committee should one be established, or alternatively from the preferential and unsecured creditors. (see Section 7 – Joint Administrators' remuneration, disbursements and pre-administration costs)
- This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 8 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Blair Nimmo
Joint Administrator

2 Background and events leading to the administration

2.1 Background information

TRP was incorporated on 21 May 1906 however, the papermaking business has roots dating back to 1809. TRP produced premium paper and board products for end customers operating in a wide range of sectors, including cosmetics, pharmaceuticals, food and beverages, audio visual and IT.

TRP operated from premises owned by Group at Markinch, Fife and at the date of appointment employed a workforce of 474.

2.2 Funding and financial position

In the year to 31 March 2014, TRP recorded a turnover of £124.6 million, but suffered a pre-tax loss of £3.4 million. TRP has incurred cumulative losses of £18.5 million over the last five years, largely as a result of the structural decline in the UK papermaking industry, weakening global demand and pressure on its margins. In its audited accounts to 31 March 2014, TRP recorded net assets of £7.4 million.

TRP utilised a confidential invoice discounting facility with LBCF to manage working capital. At the date of our appointment, LBCF had no outstanding debt.

2.3 Events leading to the administration

Overview

TRP's market has been in long term decline as media, consumers and other outlets move from paper to digitally-based products, resulting in worldwide oversupply and price competition.

This decline was, in part, offset by steps taken by TRP to widen its product and customer base and improve the efficiency of its operations. In March 2014 a £200 million biomass plant was opened on site in partnership with RWE Npower with the aim to reduce TRP's energy costs. Despite these efforts, TRP remained significantly loss making, resulting in a degree of cash flow pressure.

TRP has also faced a number of specific challenges recently, including *inter alia*:

- A significant portion of sales are to Europe and the strengthening of Sterling against the Euro in early 2015 had an adverse impact on competitiveness;
- The cost of TRP's main raw material, wood pulp, has been trading at consistently higher levels than historically experienced; and
- TRP's third largest customer, the Paperlinx UK group of companies ('Paperlinx'), was placed into insolvency on 1 April 2015. This resulted in the immediate loss of over 15% of annualised turnover and cash flow issues with collecting Paperlinx' outstanding debtor balances.

Recognising the structural changes in the industry, the challenging outlook for TRP and the need for consolidation, the directors took steps in October 2014 to seek a buyer for the business. This process continued until April 2015, however, despite in excess of 60 parties being contacted, no offers or material interest in the business were generated.



With financial forecasts indicating that losses would continue, and having taken independent legal advice, the directors concluded that, acting in the best interests of TRP's creditors, it was appropriate and necessary to take steps to appoint administrators.

2.4 Pre-administration work

Involvement prior to administration

In August 2014, KPMG was engaged by Tullis Russell Group Limited ("Group"), a company which owns 100% of the issued share capital of TRP, to perform the following tasks for Group and TRP:

- Assess the refinancing options available to Group, including TRP.
- Advise Group on the potential strategy for selling TRP, including:
 - assist Group with identifying potential purchasers of TRP;
 - provide input into the preparation of marketing collateral used to offer TRP for sale;
 - liaise with any potential interested parties during the course of the sales process; and
 - assist Group with the evaluation of any offers received for TRP.
- Provide Group with guidance on contingency options in the event that a sale of TRP was not achievable.
- Assist Group with understanding the implications for the pension scheme (in which TRP is the principal employer) under a sale or contingency scenario.
- Planning for an Administration of TRP in the event that this should arise.

Work relating to preparation for administration

The following work was carried out prior to our appointment as part of the process of placing TRP into administration:

- KPMG advised the Directors in relation to the implications for the business and stakeholders of an administration appointment.
- KPMG assisted the Directors with the preparation of the appointment documents.
- CMS assisted with the preparation and lodging of the appointment documents.

This work was necessary in order to place the Company into administration.

KPMG's work was carried out under an engagement letter with Group and all costs relating to the period before TRP's administration are excluded from the analysis of time costs in Section 7.

We are satisfied that the work carried out by KPMG before our appointment, including the pre-administration work summarised below, has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

2.5 Appointment of Joint Administrators

The directors resolved on 24 April 2015 to place TRP into administration. A notice of appointment was lodged at the Court of Session on 27 April 2015 and we were duly appointed.



3 Strategy and progress of the administration to date

3.1 Strategy to date

Strategy

TRP had ceased the manufacturing of paper prior to our appointment, with only finishing and conversion processes remaining operational. Given the very difficult trading conditions referred to above, the negative outlook for the business, significant anticipated funding requirements and that an extensive process to seek a buyer for TRP had not been successful, recommencing full manufacturing and trading was not considered beneficial.

Our overall strategy at the outset of the case was, therefore, to:

- Reduce TRP's costs to a level commensurate with the reduced operational activity;
- Assist redundant employees with making claims to the RPO for their entitlements;
- Run a focused sale of business process to establish if any party wished to acquire TRP as a going concern on a business and assets basis;
- Maximise value for WIP by completing and converting items into finished goods;
- Liaise with TRP's customers in order to sell finished goods stock through normal sales channels;
- Collect TRP's pre-administration book debts and ensure timely payment for sales made post-administration;
- In the event that a going concern sale was not achievable, commence marketing and selling TRP's plant and machinery on a piecemeal basis;
- Run separate sales process to identify any interest in TRP's brands/intellectual property and its Electrical Crepe Paper business;
- Liaise with TRP's creditors as effectively and efficiently as possible; and
- Adhere to all statutory and other legal requirements of the administration process.

In the sub-sections below, we have set out additional detail on the key areas of focus during the administration to date.

Employees

On our appointment, meetings were held with all staff and, as a consequence of the significantly reduced trading activity and the cessation of manufacturing, it was necessary to reduce costs and 325 of the workforce of 474 were immediately made redundant.

To assist staff in making claims to the RPO for redundancy, holiday pay, and pay lieu of notice, we set up a processing centre at a site near TRP's main premises. All employees were invited to attend the centre and were guided through the online application process by specialists from the KPMG Employment Rights team. Whilst this process involved a significant amount of our staff's time, as a result all claimants who attended the centre had their claims processed and submitted to the RPO within 5 days of their redundancy. A similar process was followed in relation to the redundancies made subsequent to those in the initial days of the administration.

There are currently 99 employees who have been retained to assist with asset realisation and the decommissioning process.

Until 2002 TRP participated in a multi-employer defined benefit pension scheme, at which time it was closed to defined benefit members. The pension deficit of £15.7 million shown in the Directors' Statement of Affairs is the most recent estimate of the buy-out or section 75 deficit from the funding update provided by the Scheme Actuary.

On our appointment we submitted the necessary s120 form to the scheme trustees, the Pensions Regulator ('tPR') and the Pension protection Fund ('PPF'), and the scheme then entered a PPF assessment period. We also confirmed to the trustees that tRP would no longer make payments under the current Schedule of Contributions. We were subsequently advised that the trustees and Group were considering a scheme rescue, whereby Group would become the principal employer of the scheme. We therefore took legal advice on the actions that would be required by the Joint Administrators as part of a scheme rescue, including the requirement by the Joint Administrators to confirm a scheme rescue could take place in a s122 form to be submitted to the PPF.

At the date of this report, we understand that the trustees and Group remain in discussion regarding a scheme rescue. In any event, we have been advised that the section 75 debt due to the scheme will likely rank as an unsecured creditor of TRP.

Sale of business

As noted in section 2.3, in October 2014, Group engaged KPMG Corporate Finance to sell TRP and various overseas entities (sales offices) which were subsidiaries of Group, together comprising Group's Premium Paper and Board division. During this process, KPMG Corporate Finance contacted 64 parties from across the world. Six of these parties signed Non-Disclosure Agreements and were provided with an Information Memorandum relating to the business, however, none of these parties pursued their interest.

Following our appointment, we re-contacted these parties to establish whether they would have an interest in acquiring TRP's business on an assets basis as opposed to the share sale, which Group had previously been pursuing. Unfortunately, the parties reconfirmed their position that they were not interested in acquiring TRP's business, notwithstanding that it had entered administration.

We also opened up the sales process to a wider audience and sent approximately 200 sales flyers to KPMG's network of distressed investor contacts, setting out the potential opportunity to acquire TRP's business and assets. This generated nine replies, from which seven parties signed Non-Disclosure Agreements and received an Information Memorandum. None of these parties conducted site visits or met with TRP's management team.

Due to TRP's long history and reputation, the administration attracted considerable media interest in both the local and national press. It was also well publicised within the paper industry. As a consequence, we were contacted by a further 14 parties who expressed an interest in acquiring the business and assets, six of whom signed Non-Disclosure Agreements and received an Information Memorandum. Two of these parties conducted site visits and met with TRP's management team.

Having advertised and marketed TRP's business and assets extensively, we set a closing date for indicative offers for 18 May 2015. Unfortunately, no offers were received at that time, which confirmed the lack of interest that had been expressed in the business prior to our appointment.

Having exhausted the sale of business process and determined at that stage that there were no parties wishing to acquire the business and assets as a going concern, we turned our attention to implementing an orderly wind down plan and piecemeal realisation of TRP's assets.



3.2 Asset realisations

Realisations from the date of our appointment to 12 June 2015 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant assets together with realisations to date are provided below.

Freehold property

TRP owns freehold property consisting of two separate parcels of land situated to the north and south of the paper making facility in Markinch. As noted in Section 4.1, the land is secured to the Pension Scheme.

North Site

The North site has an area of 11.79 acres of undeveloped land which was valued by GVA in 2013 on the basis that it would be for residential use. Although the land was marketed for sale prior to our appointment, no purchaser with the ability to complete a transaction at the valuation level was identified. Whilst the outcome from the sale of business process remained pending, we took the decision not to seek a purchaser for the land. As this exercise is now complete, we intend to market the land for sale.

South Site

The South site is understood to have been a former operational area of 10.6 acres which was previously cleared of building structures. The site is immediately adjacent to the Queensgate Estate, which is mixed in character, providing a range of industrial and commercial occupiers including food and non-food retail accommodation.

On our appointment we met with GVA who had been advising TRP prior to administration in relation to the South Site and made us aware of the urgent need to progress the sale of this site, where terms of sale were well advanced with Ediston. We engaged with GVA who stated that their advice to us was to proceed towards completing a transaction with Ediston. Given that GVA are sector specialists, that a competitive and recent marketing process had been undertaken by then, and that Ediston's offer was in line with GVA's valuation and approved by the secured creditor, we agreed to the sale and a conditional missive was concluded with Ediston on 22 May 2015. The longstop for completion is November 2015. As the land sale has not yet concluded, the value of the sale at this stage is commercially sensitive and has not been disclosed.

Leasehold property

The main operational premises in Markinch were previously owned by TRP. In March 2014, TRP sold the paper mill site plus an adjacent area of land to Group for £11.05 million. This sales price matched a valuation of the properties carried out by James Barr (now part of GVA) in August 2013.

Following the sale of the properties to Group, TRP continued to occupy and utilise the premises. No formal lease was put in place and no rent was paid by TRP to Group. This has remained the case following our appointment.

Plant and machinery

TRP owns a wide range of specialist papermaking plant and equipment and other assets. Although a large proportion of the plant and equipment has been fully written-down in TRP's statutory accounts, it was nevertheless operational prior to our appointment and is believed to be of significant value.



TRP owns three twin wire paper machines producing coated and uncoated SBS board, heavyweight offsets and a range of other speciality grades. TRP also owns two off-line coaters which allowed the business to produce coated SBS and cast coated board to a broad range of specifications.

In addition, TRP owns a broad range of finishing and conversion equipment, including winders, an embosser, cutters, sheeters, wrapping and packaging lines.

As a purchaser for TRP's business and assets as a going concern has not been identified, we have engaged John Wilkie and GMG on a joint agency basis to market and sell TRP's plant and machinery. We have agreed a commission structure to incentivise the agents based on the level of asset realisations linked to the time taken to sell the plant and equipment and clear the site. Nevertheless, at this stage, the timing and quantum of realisations from sales of plant and machinery remain uncertain.

With the assistance of TRP's retained employees and our agents, we have implemented a decommissioning program to mothball and preserve the plant and equipment pending it being sold and to ingather all machine spares and other information such as engineering and electrical drawings and maintenance records so as to maximise value. Due to the nature of the plant and equipment and particularly the size of the paper machines and coating machines it could take a considerable length of time for it to be sold, dismantled and removed from site.

With input from TRP's health and safety team, we will ensure that all Health, Safety and Environmental matters are dealt with appropriately and the plant and machinery is dismantled and removed from site in a safe and controlled manner that complies with all relevant rules and regulations.

Book debts

At the date of our appointment, TRP's book debts (excluding intercompany debts) totalled £16.9 million, with over 300 individual customers. As noted above, TRP operated a confidential invoice discounting facility with LBCF who had an assignation over TRP's debtor balances. There were no outstanding amounts due to LBCF under this facility at the date of our appointment.

Immediately following our appointment we liaised with retained staff in TRP's finance department and undertook a comprehensive review of book debts to ascertain their collectability. A high proportion of TRP's customers are located overseas, with a significant number of customers being entitled to contractual discounts agreed in the normal course of business prior to our appointment. To assist with collection of debtors, certain TRP staff who have extensive knowledge and experience of TRP's customers were retained to assist us in securing maximum recovery from book debts.

Whilst TRP's debtor balances have arisen through the supply of goods and are not contractual in nature, the inability to complete certain customer orders as a consequence of the administration has made the collection of debts more challenging. Since the administration, we have had extensive dialogue and negotiations with a number of TRP's main customers to discuss their outstanding debtor balances. For any customers who have purchased stock following the administration, we have made it a pre-requisite of accepting their order that all outstanding debtor balances be settled in full and on time.

Where customers have made claims for deductions from their balance (for example, for discounts, quality issues or volume rebates), together with TRP's staff, we have assessed each claim to determine its legitimacy.

To date, debtor realisations total approximately £8.2 million representing 48% of the opening gross ledger. Given the early stage of the Administration it is not currently possible to accurately determine future debtor recoveries, however, we will continue to pursue all remaining debts, via the legal process if necessary, and whilst it remains cost effective to do so.

Paperlinx

Included within the opening book debts balance noted above is £1.2 million owed by Paperlinx. Paperlinx, together with a number of its sister and subsidiary entities, entered into insolvency proceedings on 1 April 2015, casting doubt over the recoverability of the debt. Prior to our appointment, TRP's staff had:

- placed Atradius (who provided TRP with credit insurance in relation to sums owed by certain customers) on notice of a potential claim under the insurance policy in force; and
- contacted Deloitte LLP, who were dealing with the Paperlinx administration in the UK, to make them aware of TRP's Retention of Title claim over stocks supplied, estimated at 570 tonnes, which had not yet been paid for by Paperlinx.

Following our appointment, we have established contact with Atradius to discuss matters and have instructed CMS to consider the claim under the credit insurance policy. We have also progressed TRP's Retention of Title claim with Deloitte LLP/Paperlinx. Matters remain ongoing and we will work with all parties to ensure that recoveries are maximised under both the Retention of Title claim and the credit insurance claim.

Inter-company debtors

At the date of our appointment, there were three inter-company debtor balances due to TRP:

- Group - £106,822.97
- Tullis Russell Coaters - £44,608.50
- Tullis Russell Coaters (Korea)- £344,887.92

Due to sums owed by TRP to other entities, TRP is in a net inter-company creditor position. We are in the process of determining whether any amounts for debtor balances will be recoverable in the administration.

Stock

WIP and finished goods

Upon our appointment, TRP had approximately 11,500 tonnes of finished goods stock and 3,000 tonnes of WIP which could be converted into finished goods, representing significant assets to realise in the administration. To assist with the conversion of WIP and the paper finishing process, we retained a number of TRP's operatives and technical staff. Similarly, staff from TRP's sales, logistics and invoicing teams were retained to support the sale of stock to customers and manage its distribution.

Prior to our appointment, TRP utilised the services of a number of third party warehousing providers both in the UK and overseas. TRP's main warehousing and haulage provider, DSV, had approximately 6,500 tonnes of TRP's finished goods stock in its possession at its UK warehouses on the date of our appointment. DSV also had an outstanding balance due to it by TRP in excess of £2.5 million.

Upon being notified of TRP's insolvency, DSV intimidated that it wished to enforce a lien claim over TRP's stock. Our lawyers, CMS, confirmed that DSV was legally entitled to take this action and had a valid lien. Without access to the stock held and the distribution support provided by DSV, our ability to achieve maximum value for TRP's stocks would have been greatly reduced. Furthermore, it would have been extremely challenging to transport and warehouse the WIP, being completed at TRP's premises in Markinch, without continued service from DSV.

Consequently, and after a period of negotiation with DSV, we reached a settlement agreement to allow TRP's stock to be released. The terms of this agreement, the specifics of which are



confidential, will result in DSV being paid for a portion of the balance owed by TRP while also being paid for ongoing warehousing and distribution while stocks continue to be stored and transported.

Similar agreements have been reached with TRP's other warehousing providers in Holland, Canada and the USA, albeit the stock held by these parties and the level of their debts is substantially lower than DSV.

Since reaching agreement to release TRP's stock, we have continued to sell and despatch items to TRP's customers who have agreed to our terms of supply. In a number of cases, this has involved extensive discussion, correspondence and negotiation with customers who are not familiar with transacting with a UK company in administration.

The ultimate level of recoveries from stock sales is unknown at present, however, sales of finished goods up to 12 June 2015 totalled £6.6 million (with the cash collection process ongoing under agreed credit terms) and we will continue to sell stock to TRP's customers in the normal manner whilst it remains cost effective to do so.

Raw materials and Retention of Title ("ROT")

TRP sourced raw materials such as wood pulp, chemicals, packaging products, machinery and spare parts from all over the world. A significant number of TRP's suppliers (over 60) have claimed ROT over goods supplied prior to our appointment and not paid for by TRP.

The process for resolving ROT claims involves organising site visits to inventory materials and liaising with suppliers to ingather documentation relating to their claims. Each claim has to be evaluated to determine validity.

To date, 17 ROT claims have been agreed and we will continue to work through the remainder. At present, we do not anticipate any material recoveries from the sale of raw materials.

Cash at bank

At the date of our appointment, TRP had cash balances in its bank accounts totalling approximately £0.6 million. We have arranged for these amounts to be transferred to the administration bank accounts.

Other assets

Brand names/intellectual property

TRP owns several brand names, which are protected by a number of registered trademarks in the countries in which the business operated. In addition, these brands are supported by intellectual property such as finished and production know-how.

Trucard was TRP's most prominent brand accounting for approximately 60% of revenues and representing the broadest range of solid bleached sulphate carton-board on the market, with a comprehensive range of surfaces, finishes and weights. *Trucard* commands a premium position in the market, with upper end pricing. *Trucard* had applications in luxury packaging such as cosmetics and spirits and TRP enjoyed strong relationships with a number of blue chip customers.

Other key brand names include *Advocate*, *Naturalis* and *Mellotex*, which were used for graphical papers with applications such as corporate stationery, annual reports, brochures and presentation materials.

We prepared a sales flyer on TRP's brand names and issued this to approximately 80 parties. Nine parties signed Non-Disclosure Agreements and received an Information Memorandum containing further information on each brand.



We set a closing date of Monday, 8 June 2015 for offers for the brand names on and received four offers for individual brand names. We are currently in the process of negotiating a sale of the *Naturalis* brand and associated stock. Due to the level of the offers received for the brands being lower than our expectations, these have not been progressed and consequently, we have engaged Metis Partners to assist with realising TRP's remaining brand names and intellectual property and to maximise value.

Electrical Crepe Paper business

TRP operated an Electrical Crepe Paper business, which converted externally sourced base paper into reels and coils of high specification creped material used as an insulator for high voltage electrical cables and transformers. The business was a separate standalone division within TRP and sold approximately 300 tonnes of Electrical Crepe Paper per annum and consistently generated turnover in excess of £1.0 million per annum and achieved double digit gross margin.

Recognising that it was profitable and generating cash, and that it was autonomous from TRP's wider business, we have continued to trade the Electrical Crepe Paper business whilst seeking a buyer for the business and assets as going concern.

In offering the business for sale, we prepared and issued a sales flyer with highlights of the Electrical Crepe Paper business to eight parties. Five parties signed Non-Disclosure Agreements and received an Information Memorandum containing further information on the business and three parties conducted site visits to view the operation and meet with staff.

We set a closing date of Monday, 8 June 2015 for offers for the Electrical Crepe Paper business. Three offers were received and we are currently reviewing these with a view to appointing a preferred bidder. The terms of the offers are confidential and cannot be disclosed at this time, but further details will be provided in future creditor reports where possible.

Other matters

Health and Safety

We notified the Scottish Environment Protection Agency ("SEPA"), the Health & Safety Executive ("HSE") and the local council of our appointment.

We have retained a number of key staff members who have the experience, qualifications and knowledge to ensure that standards under certain licences and permits are maintained during the administration process. KPMG Sustainability Services ("KSS"), specialists in health and safety and environmental matters, are also providing ongoing support and advice.

Collectively, we are working to ensure that the orderly wind down of the site is managed safely and in accordance with guidelines as set down by SEPA, HSE and the local council.

VAT and sales taxes

TRP had VAT/sales and import tax registrations in Germany, Canada and the Netherlands, as well as the UK. We have engaged the following advisors in these countries to assist with reviewing the VAT positions, notifying the relevant authorities and to assist with future returns:

Germany	–	Mundhenke & Partner
Canada	–	KPMG Inc (a member of the KPMG network of independent firms)
Netherlands	–	Meijburg & Co (a member of the KPMG network of independent firms)



Investigations

We are reviewing the affairs of TRP to establish if there are any actions which should be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Calum Pickett at KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG United Kingdom.

3.3 Costs

Payments made from the date of our appointment to 12 June 2015 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made to date are provided below. This summary does not include costs which have been accrued and not yet paid.

Employees

As previously noted, we initially retained 149 of TRP's employees (with staff numbers presently at 99) following the administration to assist us with the sale of business process and realising TRP's assets. The costs associated with paying employees are shown under the 'Direct labour' caption in Appendix 2 and total £771,299.43.

Warehouses and distribution

As noted above, in order to continue ongoing supply to customers and to realise TRP's stock, we reached various agreements with warehouses and hauliers in the UK, the Netherlands, Canada and the United States. The costs incurred to date are shown under the 'Warehousing and distribution' caption in Appendix 2 and amount to (£801,780.95)

Other trading costs

We have purchased £26,099.00 of base paper from Tervakoski OY, for use in production in the Electrical Crepe Pape business, which has continued to trade while we market the business for sale.

We have paid £2,799.16 in relation to the hire of vehicles and IT equipment and £1,300.00 to Concept Group and Pollock (Scotrans) Limited for the hire of equipment.

We have paid £1,653.82 to Neopost Limited in relation to stationery and postage, and £320.09 to Scottish Power for heat and light.

We are accruing certain ongoing costs and will make payments to settle these as they fall due.

4 Dividend prospects

4.1 Secured creditors

TRP granted standard securities in favour of the Pension Scheme over two areas of freehold land (referred to in section 3.2 above). The amount secured is for all sums due to the Pension Scheme up to a maximum of £13.5 million. As stated in section 3.1, the estimated amount owed to the Pension Scheme exceeds the value of its security. It is highly unlikely that realisations from the sale of the



two areas of land will exceed the £13.5 million the Pension Scheme is entitled to, therefore there will be no surplus funds available to TRP's other creditors.

TRP granted an assignation of its trade debtors to LBCF in August 2012. LBCF had no outstanding debt at the date of our appointment.

TRP granted a floating charge over certain of its assets to BoS. BoS had no outstanding debt due by TRP, hence its floating charge has not crystallised and no amounts are due to BoS.

4.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

We estimate the amount of preferential claims at the date of our appointment to be £733,000.

Based on current estimates, we anticipate that preferential creditors will be paid in full.

4.3 Unsecured creditors

Based on current estimates, we anticipate that a dividend will be available to unsecured creditors. It is not currently possible to estimate the level of this dividend as this will depend on *inter alia*:

- The level of stock and debtor realisations achieved;
- The value obtained from sales of TRP's plant and machinery;
- The costs of the administration process; and
- The level of creditor claims received.

Where possible, future reports to creditors will outline the potential quantum and timing of any dividend to unsecured creditors. If achievable, we may seek to make an interim dividend payment to creditors pending finalisation of realisations and costs.

5 Ending the administration

5.1 Exit route from administration

We currently consider it prudent to retain all of the options available to us, as listed in Section 8 to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be through conversion of the administration to a creditors' voluntary liquidation.

5.2 Discharge from liability

We propose to seek approval from the creditors committee (or in the event that a committee is not formed, the preferential and unsecured creditors) that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

See Section 6 for details regarding the meeting of creditors.

6 Approval of proposals and creditors' meeting

6.1 Creditors' meeting

Notice of a meeting of creditors to be held on 2 July 2015 at 10am at the Doubletree by Hilton, 34 Bread Street, Edinburgh, EH3 9AF is attached to the covering letter. We are convening it in order to present our statement of proposals.

Creditors' Committee

A Creditors' Committee will be formed if sufficient creditors are willing to act. The minimum number of Committee members is three and the maximum is five.

Function of the Creditors' Committee

The Creditors' Committee represents the interests of the creditors as a whole, rather than the interests of certain parties or individuals.

Its statutory function is to help us to discharge our responsibilities as Joint Administrators.

If a Creditors' Committee is formed it is for that body to approve, for instance:

- the basis and amount of our remuneration and outlays
- the amount and drawing of Category 2 disbursements
- our discharge from liability in respect of any actions as Joint Administrators

Members of the Creditors' Committee are not remunerated for their time. Other than receiving travel expenses, they will receive no payment from TRP.

6.2 Resolutions

Creditors will be asked to vote on the following matters at the initial meeting of creditors:

- our proposals;
- the formation of a Creditors' Committee.

If a Creditors' Committee is not formed the resolutions in Section 7.1 which would have been considered by the Creditors' Committee will be voted on by the creditors.

7 Joint Administrators' remuneration and outlays, disbursements and pre-administration costs

7.1 Approval of the basis of remuneration and disbursements

Agreement to the basis and amount of our remuneration and outlays and the drawing of Category 2 disbursements is subject to specific approval. They are not agreed as part of our proposals.

Should a Creditors' Committee be formed at the creditors' meeting, we will seek to obtain approval from the Creditors' Committee that:

- our remuneration will be set and drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge-out rates included in Appendix 3;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 3.

If a Creditors' Committee is not formed, the creditors represented at the meeting in person or by proxy will be asked to vote on the resolutions with regards to our remuneration and drawing of Category 2 disbursements.

Time costs

From the date of our appointment to 12 June 2015, we have incurred time costs of £1,071,080.25. These represent 2,970.30 hours at an average rate of £360.60 per hour.

Disbursements

We have incurred disbursements of £12,937.38 during the period. None of these have yet been paid.

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 12 June 2015. We have also attached our charging and disbursements recovery policy.

8 Summary of proposals

As there were no parties wishing to acquire the business and assets as a going concern rescuing TRP in accordance with Paragraph 3(1)(a) is therefore not achievable.

Therefore our primary objective is to achieve a better result for TRP's creditors as a whole than would be likely if TRP were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:



General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of TRP in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims TRP may have;
- to seek an extension to the administration period via creditor approval or the Court if we consider it necessary.

Distributions

- to make distributions to the preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of TRP to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of TRP's creditors, shareholders or the Court for approval as appropriate;
- place TRP into creditors' voluntary liquidation. In these circumstances we propose that we, Blair Nimmo and Tony Friar, be appointed as Joint Liquidators of TRP without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing TRP into liquidation and to consider, if deemed appropriate, appointing us, Blair Nimmo and Tony Friar, as Joint Liquidators of TRP without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. TRP will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration

We propose that:

- our remuneration will be set and drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge-out rates included in Appendix 3;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 3

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.



Appendix 1 Statutory information

Company Information	
Company and Trading name	Tullis Russell Papermakers Limited
Date of incorporation	21 May 1906
Company registration number	SC006195
Trading address	Auchmuty & Crocker, Paper Mills, Glenrothes, Fife, KY7 6PB
Previous registered office	Rothsfield, Markinch, Fife, KY7 6PB
Present registered office	20 Castle Terrace, Edinburgh, EH1 2EG
Company Directors	Niall Gille Anndrais MacDonald Frderick Alexander William Bowden Mark Thomas Steadman Geoffrey Douglas Miller Nicholas Shepherd Malcolm Mainland Sinclair Christopher Alick George Parr
Company Secretary	Geoffrey Douglas Miller

Administration Information	
Administration appointment	The administration appointment granted in Court of Session, P415 of 2015
Appointor	The Directors of the Company.
Date of appointment	27 April 2015
Joint Administrators	Blair Nimmo and Tony Friar
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	26 April 2016
Prescribed Part	The Prescribed Part is not applicable on this case as the floating chargeholder has no outstanding debt at the date of our appointment.
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.



Appendix 2 Joint Administrators' receipts and payments account

Trading accounts

Tullis Russell Papermakers Limited - in Administration		
Joint Administrators' trading accounts		
Statement of Affairs (£)	From 27/04/2015 To 12/06/2015 (£)	From 27/04/2015 To 12/06/2015 (£)
TRADING INCOME		
Sales	2,472,035.55	2,472,035.55
TRADING EXPENSES		
Direct Labour	(771,299.43)	(771,299.43)
Warehousing & distribution	(801,780.95)	(801,780.95)
Materials	(26,099.00)	(26,099.00)
Heat & light	(320.09)	(320.09)
Telephone/Fax/IT	(30.00)	(30.00)
Stationery & postage	(1,653.82)	(1,653.82)
HP/Leasing payments	(3,825.43)	(3,825.43)
Hire of equipment	(1,826.26)	(1,826.26)
Repairs and maintenance	(9,618.69)	(9,618.69)
Sundry expenses	(100.00)	(100.00)
Bank charges	(10,370.73)	(10,370.73)
	(1,626,924.39)	(1,626,924.39)
Trading surplus/(deficit)	845,111.16	845,111.16

Receipts and payments

Tullis Russell Papermakers Limited- In Administration		
Joint Administrators' abstract of receipts & payments		
Statement of affairs (£)	From 27/04/2015 To 12/06/2015 (£)	From 27/04/2015 To 12/06/2015 (£)
ASSET REALISATIONS		
Cash at bank	592,944.62	592,944.62
Book debts	8,237,973.28	8,237,973.28
	<u>8,830,917.91</u>	<u>8,830,917.91</u>
OTHER REALISATIONS		
Sundry refunds	26,719.96	26,719.96
Employee health insurance	11,335.68	11,335.68
Miscellaneous income	5.00	5.00
Trading surplus/(deficit)	845,111.16	845,111.16
	<u>883,171.80</u>	<u>883,171.80</u>
	<u>9,714,089.71</u>	<u>9,714,089.71</u>
REPRESENTED BY		
Floating charge VAT	36,309.90	36,309.90
Floating charge current	9,780,381.82	9,780,381.82
Other trading payroll deductions	(29,982.22)	(29,982.22)
	<u>9,714,089.71</u>	<u>9,714,089.71</u>

The Joint Administrators are operating bank accounts in three currencies – GBP, EUR & USD. For the purposes of this consolidated receipts and payments accounts, figures for the Euro and Dollar accounts were translated into Sterling at the spot rate prevailing on 12 June 2015 - the date of the receipts and payments account.

It is the intention of the Joint Administrators to continue operating the currency accounts until all remaining stocks have been realised. No foreign exchange gain or loss has been recognised to date. Any foreign exchange gain or loss will be recognised in full when the final figures are translated.

Appendix 3 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Administrators' Remuneration Scotland" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

[https://www.r3.org.uk/media/documents/technical_library/SIPS/Creditors' Guide to Administrators' Remuneration Scotland.pdf](https://www.r3.org.uk/media/documents/technical_library/SIPS/Creditors'_Guide_to_Administrators'_Remuneration_Scotland.pdf)

If you are unable to access this guide and would like a copy, please contact Calum Pickett on 0131 527 6615.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£)	
Grade	From 1 Oct 2014 £/hr
Partner	595
Director	535
Senior Manager	485
Manager	405
Assistant Manager	280
Administrator	205
Support	125

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements during the period 27 April 2015 to 12 June 2015.

SIP 9 – Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	5,035.47		NIL		5,035.47
Meals	2,272.41		NIL		2,272.41
Mileage	NIL		4,555.16		4,555.16
Sundry	50.22		NIL		50.22
Travel	1,024.12		NIL		1,024.12
Total	8,382.22		4,555.16		12,937.38

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration.



Narrative of work carried out for the period 27 April 2015 to 12 June 2015

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to licences and permits; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, The Registrar of Inhibitions and Adjudications, creditors and other stakeholders, and advertising our appointment; ■ issuing regular press releases and posting information on a dedicated web page; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with TRP's pre-appointment Sterling and foreign currency accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; ■ reviewing and processing employee expense requests; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from TRP's records in relation to the taxation position of the company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing TRP's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ working initially on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions; ■ reviewing TRP's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9.
Trading	<ul style="list-style-type: none"> ■ preparing cash flow statements to monitor the cash position; ■ attending to supplier and customer queries and correspondence; ■ raising, approving and monitoring purchase orders and setting up control systems for trading; ■ negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support; ■ securing petty cash on site and monitoring spend; ■ dealing with issues in relation to stock and other assets required for trading; ■ communicating and negotiating with customers regarding ongoing supplies, including agreeing terms and conditions; ■ monitoring stock and stock reconciliations; ■ dealing with hauliers and warehousing providers to ensure ongoing services; ■ ensuring ongoing provision of emergency and other essential services to site.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from TRP's records regarding the assets; ■ liaising with finance companies in respect of assets subject to finance agreements; ■ liaising with agents regarding the sale of assets;

	<ul style="list-style-type: none"> ■ dealing with issues associated with the sale of stock; ■ reviewing outstanding debtors and management of debt collection strategy; ■ liaising with TRP credit control staff and communicating with debtors; ■ seeking legal advice in relation to book debt collections, including Paperlinx.
Property matters	<ul style="list-style-type: none"> ■ assess the position as regards TRP's freehold land; ■ liaise with Pension Scheme trustees regarding the strategy for realising the freehold land over which it holds security.
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements; ■ collating relevant information and drafting information memorandum in relation to the sale of TRP's business and assets and advertising the business for sale; ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room; ■ managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties;
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for TRP's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing and managing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with employee redundancies; ■ dealing with queries from retained and redundant employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ holding employee briefing meetings to update employees on progress in the administration and our strategy; ■ administering payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ managing claims from employees; ■ ensuring security of assets held by employees.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing TRP's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment; ■ ensuring death-in-service cover for employees remains in place; ■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ convening and preparing for the meeting of creditors; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ reviewing the questionnaires submitted by the Directors of TRP; ■ reviewing pre-appointment transactions; ■ Carrying out investigative work including reviewing TRP's books and records in preparation for submission of a report to the Insolvency Service.



Time costs

SIP 9 - Time costs analysis

SIP 9 - Time costs analysis (27/04/2015 to 12/06/2015)							
	Hours				Total	Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support			
Administration & planning							
Cashiering							
General (Cashiering)			20.80		20.80	5,801.50	278.92
General							
Books and records			16.90		16.90	4,177.00	247.16
Fees and WIP			0.50		0.50	140.00	280.00
Statutory and compliance							
Appointment and related formalities	91.40	34.20	48.30	20.00	193.90	82,480.50	425.38
Checklist & reviews			2.20		2.20	616.00	280.00
Strategy documents	13.80	22.70	1.90		38.40	18,924.50	492.83
Tax							
Initial reviews - CT and VAT		2.50	14.20		16.70	4,988.50	298.71
Post appointment corporation tax		1.00			1.00	405.00	405.00
Post appointment overseas tax			2.00		2.00	560.00	280.00
Post appointment VAT		97.20	20.60		117.80	45,328.00	384.79
Creditors							
Creditors and claims							
Agreement of unsecured claims			1.80		1.80	369.00	205.00
General correspondence	8.60	17.50	69.65	11.90	107.65	30,660.50	284.82
Legal claims			1.80		1.80	504.00	280.00
Notification of appointment			13.00		13.00	3,640.00	280.00
Pre-appointment overseas tax			1.60		1.60	448.00	280.00
Pre-appointment VAT / PAYE / CT			1.60		1.60	448.00	280.00
ROT Claims		77.10	120.00		197.10	65,069.00	330.13
Statutory reports	0.60	8.65	5.80	2.00	17.05	6,315.25	370.40
Employees							
Correspondence	8.55	255.50	624.30		888.35	294,600.75	331.63
DTI redundancy payments service			1.90		1.90	532.00	280.00



SIP 9 - Time costs analysis (27/04/2015 to 12/06/2015)							
	Hours				Total	Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support			
Pension funds	27.00	8.60			35.60	18,616.00	522.92
Pensions reviews	2.10	4.60	16.40		23.10	7,689.50	332.88
Investigation							
Directors							
Correspondence with directors	1.10	5.95			7.05	3,098.25	439.47
Statement of affairs		3.30	2.20		5.50	2,216.50	403.00
Realisation of assets							
Asset Realisation							
Cash and investments			5.90		5.90	1,652.00	280.00
Debtors		52.70	22.80		75.50	31,568.50	418.13
Freehold property	7.50	19.50			27.00	13,470.00	498.89
Goodwill		32.30			32.30	15,665.50	485.00
Health & safety	1.10	42.70	20.50		64.30	23,862.00	371.10
Leasehold property	0.90	15.80	2.90		19.60	7,924.50	404.31
Office equipment, fixtures & fittings		0.10			0.10	40.50	405.00
Open cover insurance		0.70	15.10		15.80	4,511.50	285.54
Other assets	2.10				2.10	1,123.50	535.00
Plant and machinery	2.80	55.10	6.10		64.00	29,247.50	456.99
Sale of business	74.60	109.50	164.40		348.50	137,333.00	394.07
Stock and WIP	13.30	128.25	225.70		367.25	124,859.25	339.98
Vehicles		4.90			4.90	1,984.50	405.00
Trading							
Cash & profit projections & strategy	0.30	2.75			3.05	1,494.25	489.92
Purchases and trading costs	9.70	99.30	97.20		206.20	74,103.50	359.38
Sales		1.60	18.90		20.50	4,612.50	225.00
Total in period	265.45	1,104.00	1,566.95	33.90	2,970.30	1,071,080.25	360.60
Brought forward time (appointment date to SIP 9 period start date)					0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)					2,970.30	1,071,080.25	
Carry forward time (appointment date to SIP 9 period end date)					2,970.30	1,071,080.25	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.



Appendix 4 Statement of Affairs

The Directors have provided a Statement of Affairs for TRP as at the date of our appointment, a copy of which is set out in the following pages.

We have not carried out anything in the nature of an audit on the information provided.

The figures provided in the statement of affairs do not take into account the costs of the administration process, such as employee costs, site holding costs, insurance and administration fees.



Rule 2.21

The Insolvency Act 1986

Form 2.13B (Scot)

Statement of Affairs

Pursuant to paragraph 47 of Schedule B1 to the Insolvency Act 1986
and Rule 2.21(1) of the Insolvency (Scotland) Rules 1986

Insert name of the
company

Statement as to the affairs of

Tullis Russell Papermakers Limited

as at the 27th April 2015, the date that the company entered administration.

Statutory Declaration

I solemnly and sincerely declare that the information provided in this statement and the lists A to G annexed and signed as relative hereto is, to the best of my knowledge and belief, true and complete,

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at MARKINCH

Signed [Signature]

This 12TH day of JUNE 2015

Before me [Signature]

A Notary Public or Justice of the Peace or Solicitor

IAIN DAVID HAYWOOD
SOLICITOR
[Signature]

STATEMENT as to the affairs of the Company on the _____

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

		Estimated Realisable Values £'000
ASSETS		
Assets not specifically secured (as per List "A") _____		25,147
Assets specifically secured (as per List "B")		
Estimated realisable value	4,500	
Less: Amount due to secured creditors	<u>-15,700</u>	
Estimated Surplus _____	-11,200	
Estimated Total Assets available for preferential creditors, holders of floating charges and unsecured creditors _____		25,147
LIABILITIES		
Preferential creditors (as per List "C") _____		-1,033
Estimated balance of assets available for holders of floating charges and unsecured creditors _____		24,114
Estimated prescribed part of net property where applicable (to carry forward) _____		0
Holders of floating charges (as per List "D") _____		0
Estimated surplus/deficiency as regards holders of floating charges _____		0
Estimated prescribed part of net property where applicable (brought down) _____		0
Unsecured Creditors		
Trade accounts (as per List "E") _____	-42,439	
Bills payable (as per List "F") _____	0	
Contingent or other liabilities (as per List "G") _____	-8,000	
Total unsecured creditors (excluding any shortfall to floating charge holders) _____	<u>-----</u>	
		-50,439
Estimated Surplus/Deficiency as regards creditors unsecured - creditors (excluding any shortfall to floating charge holders)		-26,325
Estimated deficiency after floating charge where applicable (brought down)		-11,200
Estimated Surplus/Deficiency as regards creditors		-37,525
Issued and Called-up Capital _____		-5,449
Estimated Surplus/Deficiency as regards members		-42,974

These figures must be read subject to the following:-

*delete as appropriate

*[(a) There is no unpaid capital liable to be called up]

*[(b) The nominal amount of unpaid capital liable to be called up is £ _____ estimated to produce £ _____ which is/is not charged in favour of the holder of the floating charges(s)]

The estimates are subject to the expenses of the liquidation and to any surplus or deficiency on trading pending realisation of the Assets.

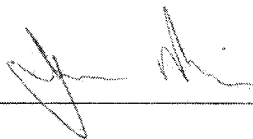
Please do not write in
this margin

Statement of affairs LIST 'A'
Assets not specifically secured

Please complete
legibly, preferably in
black type, or bold
block lettering

Particulars of assets	Book value £'000	Estimated to produce £'000
Balance at bank	654	654
Cash in hand	4	4
Marketable securities (as per Schedule I)	150	150
Bills receivable (as per Schedule II)	0	0
Trade debtors (as per Schedule III)	14,788	10,270
Loans and advances (as per Schedule IV)	26	26
Unpaid calls (as per Schedule V)	0	0
Stock in trade	7,856	6,285
Work in progress	1,823	1,458
Raw Mats and other stocks	618	200
Heritable property	0	0
Leasehold property	0	0
Plant, machinery and vehicles	7,340	6,000
Furniture and fittings, etc	0	0
Patents, trade marks, etc	0	100
Investments other than marketable securities	0	0
Other property	0	0
Total	33,259	25,147

Signed



Date 12 JUNE 2015

Please do not write in this margin

SCHEDULE I TO LIST 'A'
Statement of affairs
Marketable Securities

Please complete legibly,
 preferable in black type,
 or bold block lettering

Names to be arranged in alphabetical order and numbered consecutively

No	Name of organisation in which securities are held	Details of securities held	Book value £	Estimated to produce £'000
	EEC	Carbon Credits	0	150

Signed



Date 12 JUNE 2015

Please do not write in this margin

SCHEDULE II TO LIST 'A'

Statement of affairs

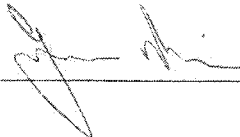
Bills of exchange, promissory notes, etc. available as assets

Please complete legibly, preferably in black type, or bold block lettering

Names to be arranged in alphabetical order and numbered consecutively

No	Name and address of acceptor of bill or note	Amount of bill or note £	Date when due	Estimated to produce £	Particulars of any property held as security for payment of bill or note
	N/A	N/A		N/A	N/A

Signed



Date 12 JUNE 2015

Please do not write in this margin

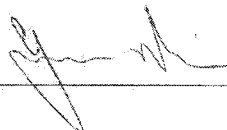
SCHEDULE III TO LIST 'A'
Statement of affairs
Trade debtors

Please complete legibly,
preferably in black type,
or bold block lettering

Names to be arranged in alphabetical order and numbered consecutively

No	Name and address of debtor	Particulars of any securities held for debt	Book value £000	Estimated to produce £000
	See Separate List		14,788	10,270

Signed



Date 12 JUNE 2015

Please do not write in this margin

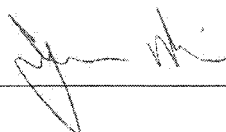
SCHEDULE IV TO LIST 'A'
Statement of affairs
Loans and Advances

Please complete legibly,
 preferably in black type,
 or bold block lettering

Names to be arranged in alphabetical order and numbered consecutively

No	Name and address of debtor	Particulars of any securities held for debt	Book value £000	Estimated to produce £000
	See separate list		26	26

Signed



Date 12 June 2015

Please do not write in this margin

SCHEDULE V TO LIST 'A'
Statement of affairs
Loans and Advances

Please complete legibly, preferably in black type, or bold block lettering

Names to be arranged in alphabetical order and numbered consecutively

No	No in share register	Name and address of shareholder	No of shares held	Amount of call per share unpaid £	Total amount due £	Estimated to produce £
	N/A	N/A	N/A	N/A	N/A	N/A

Signed



Date 12 JUNE 2015

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

LIST 'B' (consisting of 1 pages)

Statement of affairs

Assets specifically secured and creditors fully or partly secured (see note below) (not including debenture holders secured by a floating charge)

No	Particulars of assets specifically secured and nature of security	Date when security granted	Name of creditor	Address and occupation
	Specific plots of land	23/3/2013	Trustees of Tullis Russell Pension Scheme	Markinch Glenrothes Fife KY76PB

Note: For this purpose treat as a creditor but identify separately

- (a) an owner of goods in the company's possession under a hire-purchase agreement or an agreement for the hire of goods for more than 3 months, or
- (b) a seller of goods to the company claiming a retention of title or a seller under a conditional sale agreement.

Please do not write in
this margin

Please complete
legibly, preferably in
black type, or bold
block lettering

LIST 'C' (consisting of 1page)

Statement of affairs

Preferential creditors for salaries, wages and otherwise

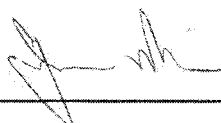
Names to be arranged in alphabetical order and numbered consecutively

No	Name of creditor	Address
	Employees of Tullis Russell Papermakers Limited See Separate List	

Please do not write in
this margin
Please complete
legibly, preferably in
black type, or bold
block lettering

Nature of claim	Total amount of claim £000	Amount ranking as preferential £000	Balance not preferential carried to List 'E' £000
Wage arrears, holiday pay etc.	1,033	1,033	0

Signed



Date 12 June 2015

Please do not write in
this margin

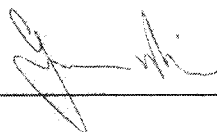
Please complete
legibly, preferably in
black type, or bold
block lettering

LIST 'D'**Statement of affairs****List of holders of debentures secured by a floating charge**

Names to be arranged in alphabetical order and numbered consecutively

No	Name and address of Holder	Amount £	Description of assets over which security extends
	N/A	N/A	N/A

Signed



Date 12 JUNE 2015

Please do not write in
this margin

Please complete
legibly, preferable in
black type, or bold
black lettering

LIST 'E' (consisting of 1 pages)

Statement of affairs

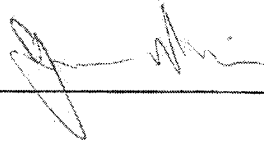
Unsecured creditors – trade accounts.

Identify separately on this list customers claiming amounts paid in advance of the supply of goods and services

Names to be arranged in alphabetical order and numbered consecutively

No	Name of and address of creditor	Amount of the debt
		£000
	Various Trade Creditors – See Separate List	18,543
	HMRC	1,437
	Tullis Russell Papermakers Employees	18,403
	Canadian Revenue Agency	420
	German Revenue Agency	25
	Business Stream	74
	Fife Council	81
	Inter Company Loans -	2,956
	Other	500
		42,439

Signed



Date 12 JUNE 2015

Please do not write in this margin

LIST 'F'

Statement of affairs

Unsecured creditors – Bills payable, promissory notes, etc

Please complete legibly, preferably in black type, or bold block lettering

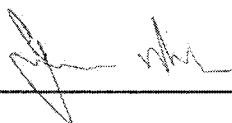
Names to be arranged in alphabetical order and numbered consecutively

***Note**

The particulars of any bills of exchange and promissory notes held by a holder should be inserted immediately below the name and address of such creditor.

No	Name and address of acceptor of bill or note	Name and address of holder*	Date when due	Amount of claim £
	N/A	N/A	N/A	N/A

Signed



Date 12 JUNE 2015

Please do not write in
this margin

Please complete
legibly, preferably in
black type, or bold
block lettering

LIST 'G'**Statement of affairs****Unsecured creditors – contingent liabilities**

Names to be arranged in alphabetical order and numbered consecutively

No	Name and address of creditor	Nature of liability	Amount of claim £000
	Various	Site Clearance, contract penalties etc - Estimate	8,000

Signed



Date 12 JUNE 2015

LIST "E" TRADE CREDITORS

Creditor Name	Creditor Value
3M UNITED KINGDOM PLC	4,651.78C
3V SIGMA SPA	163,639.51C
ABB AUTOMATION LTD	31,812.74C
ABB LIMITED	5,952.60C
AC CABS	648.40C
ADFLEX LTD	12.00C
ADVANCED FIBER TECHNOLOGIES	3,551.00C
AES SEALTEC LIMITED	3,286.90C
AIRFOR ENGINEERING LIMITED	617.76C
ALLIANZ CORNHILL ENGINEERING	4,865.14C
ALLSTAR BUSINESS SOLUTIONS LTD	445.57C
ANGLIA FORWARDING	132.38C
ANGUS SMART & SON	1,510.74C
ANTALIS AG INDUSTRIESTRASSE	1,397.72C
ANTALIS GMBH	23,538.64C
ANTALIS LIMITED	12,394.35C
ANTALIS NV	25,589.78C
ANTALIS SNC	3,266.79C
AON LIMITED PREMIUM ACCOUNTS	722,581.06C
APPLIED SOFTWARE CONTROL LTD	10,800.00C
ARCHROMA DISTRIBUTION & MANAGEMENT	25,894.08C
ASA RECRUITMENT	4,752.00C
ASHTAD ENGINEERING CO LTD	990.00C
ATRADIUS	58,089.49C
AVEBE BA	115,042.93C
AZELIS UK LTD	40,168.80C
BALBIRNIE HOUSE	85.00C
BARR PRINTERS LTD	4,676.26C
BASF PLC	341,891.21C
BELL GROUP U.K.	456.00C
BIELOMATIK JAGENBERG GmbH & Co	5,437.48C
BISSETT PRINTERS LTD	4,360.52C
BM TRADA CERTIFICATION LTD	502.92C
BOC LIMITED	440.40C
BONETTI ACCIA SPA	1,194.04C
BOOTS OPTICIANS	205.00C
BRECHIN TINDAL OATTS SOLICITORS	1,232.82C
BRENNTAG COLOURS LIMITED	3,312.00C
BRENNTAG UK LIMITED	999.86C
BRIGGS EQUIPMENT UK LIMITED	40,146.40C
BRIGHTSOLID LTD	36.00C
BRITISH BUNG MANUFACT COM LTD	6,515.94C
BRITISH STANDARDS INSTITUTION	5,495.62C
BRITISH TELECOM	120.60C
BUTTERWORTH LABORATORIES LTD	4,453.20C
BYK-GARDNER GMBH	631.10C
CALEDONIA FIRE AND SECURITY LIMITED	96.00C

CAMLAB LIMITED	134.63C
CARGILL PLC	736,229.80C
CELULOSE BEIRA IND (CELBI) SA	2,092,310.47C
CHAMELEON COLOUR SERVICES (UK) LTD	1,919.87C
CHRISTIAN DIOR (EUR INVOICE)	314.54C
CHUBB ELECTRONIC SECURITY LTD	368.29C
CLARA NET LTD	102.32C
CLEAR-VIEW	237.00C
CMS CAMERON MCKENNA LLP	1,800.00C
COMPANIES HOUSE	4.00C
COMPANY BARCLAYCARD	8,525.63C
COMPUTER LINKS LTD	594.00C
CONCEPT GROUP LIMITED	64.80C
CORDSTRAP LTD	12,268.80C
CORMACKS CAFÉ	185.00C
COVERIS FLEXIBLES (WINSFORD) UK LTD	51,691.19C
CRAIG RECRUITMENT SOLUTIONS	5,280.00C
DALRYMPLE CONSTRUCTION LTD	2,146.98C
DATASERVE UK	328.92C
DELILICIOUS CATERING LTD	1,127.07C
DELOITTE BELASTINGADVISEURS B.V	1,268.81C
DEMAG CRANES & COMPONENTS LTD	23,635.81C
DENHOLM WILHELMSSEN LTD	8,477.95C
DP SALES LTD	214.61C
DP SERVICES (SCOTLAND) LTD	25,008.90C
DP SYSTEMS (SCOTLAND) LTD	15,460.80C
DSV AIR & SEA LIMITED	2,464.20C
DSV ROAD LTD	2,684,469.45C
DUNSIRE ASSOC.(ELECT.) LTD	1,350.00C
EDEN SPRINGS UK LIMITED	0
EKMAN AG	556,512.34C
ELP ARBUTHNOTT MCCLANACHAN	420.00C
EOLAS TECHNOLOGY	1,468.80C
ERIKS INDUSTRIAL SERVICES	397,701.07C
ERIKS INDUSTRIAL SERVICES	43,593.81C
ERIKS INDUSTRIAL SERVICES LTD	4,842.07C
EUROFILMS EXTRUSION LTD	34,698.38C
EUROPEAN CARTON MAKERS ASSOCIATION	2,178.81C
EUROPEAN GAS CONSULTANCY LTD	7,778.52C
EUROPEAN SAFETY SYSTEMS LTD	130.37C
EXCEL ENGINEERING SERV LTD	2,425.20C
EXCEL ENVIRONMENTAL SERVICES	670.00C
FASTNET INTERNATIONAL LIMITED	108.00C
FCE HYDRAULIC POWER SERV LTD	17,158.28C
FCE MATERIALS HANDLING LTD	6,666.96C
FERALCO (UK) LTD	24,484.45C
FIBRE SOURCE NORTH AMERICA CORP.	747,393.69C
FIFE CHAMBER OF COMMERCE & ENTERPRIS	842.40C
FIFE CHAMBER OF COMMERCE & ENTERPRISE	949.00C
FIFE FORKLIFTS	15,591.41C

FISHERS SERVICES (CUPAR) LTD	168.00C
FMW INDUSTRIEANLAGENBAU GMBH	476.43C
FORKLIFT TRAINING SCOTLAND LTD	720.00C
FORTH PORTS PLC	3,630.00C
FORTH VIBRATION SERVICES	10,560.95C
FRASER COYLE	3,825.00C
FRY HEATH AND SPENCE LLP	1,466.51C
FUCHS LUBRICANTS (UK) PLC	7,351.31C
FUGLESANGS GLASGOW	28,644.00C
GAZPROM ENERGY	47,370.59C
GB LPG LTD	11,446.91C
GEA HEAT EXCHANGERS LTD	2,644.68C
GEODIS WILSON LTD	273.79C
GF SMITH	1,669.44C
GLENROTHES LOCKSMITHS	142.84C
GP PLANTSCAPE LTD	1,528.00C
H.B. FULLER UK LIMITED	2,304.96C
HAAG LOGISTIC GROUP	1,263.56C
HAMPTON KNIGHT LIMITED	4,284.00C
HAZCO ENVIRONMENTAL LIMITED	624.00C
HERTZ LEASE	643.69C
HONEYWELL CONTROL SYSTEMS LTD	18,132.50C
HUTCHINSON NETWORKS LTD	2,591.20C
IMERYS MINERAUX BELGIQUE SA	57,248.59C
INITIAL WASHROOM SOLUTIONS	297.48C
INSIGHT DIRECT (UK) LTD	3,827.40C
INSPIREPAC LTD	3,421.08C
INTERNATIONAL FOREST PRODUCTS	39,880.74C
INVISTA LIMITED	5,983.20C
ISEGA	101.40C
ITOCHU FIBRE LIMITED	2,880,566.88C
JAMES CROPPER CONVERTING LTD	11,580.50C
JAMES MCCAIG T/A JAMES MCCAIG FARMS	20,865.24C
JAMES REIDY ENGINEERING	2,840.00C
JOHN SHORT	8,716.00C
JOHN WHITE & SONS LTD	3,498.24C
JUBILEE ELECTRONICS LTD	295.00C
JUD AG PAPIERMASCHINEN	3,369.12C
KADANT UK LTD	8,516.42C
KALAMAZOO SECURE SOLUTIONS LTD	930.06C
KD DOORS	9,741.13C
KERR COMPRESSOR ENGINEERS (EK)	25,944.00C
KONECRANES SERVICE LIMITED	2,880.00C
LA COMPAGNIE GREENFIELD S.A.	138,770.32C
LAMOND & MURRAY	4,224.00C
LANDFALL SCAFFOLDING LIMITED	8,147.99C
LANGSTANE PRESS	6,129.37C
LEX AUTOLEASE LIMITED	180.30C
LIGHTHOUSE (UK) LTD	54.54C
LOCOFOCO LTD	9,777.60C

LOTHIAN VULCANISING	4,529.96C
MACDONALD RUSACKS HOTEL	99.00C
MAGMA FABRICATIONS (GLENROTHES	1,058.40C
MALCOLM ROSS & SONS LTD	307.20C
MANCHESTER INDUSTRIES INC	25,318.24C
MANOR CARS	1,323.42C
MARK INFORMATION UK LTD	1,524.79C
MARSHALL CONSTRUCTION LTD	5,441.90C
MCQUEEN'S DAIRIES LTD	200.00C
MESSAGELABS LTD	7,560.00C
METHILHAVEN SURGERY	55.00C
METPRO GROUP	67,006.49C
MINES RESCUE SERVICE LIMITED	768.00C
MITIE CLEANING & ENVIRONMENTAL	16,606.58C
MODUS (SCOTLAND) LIMITED	462.00C
MSK COVERTECH-GROUP	26.89C
MULTI PACKAGING SOLUTIONS GMBH	688.98C
MULTIPRINT (SCOTLAND) LIMITED	716.40C
MUNDHENKE & PARTNER GMBH	113.14C
MYRTLE COFFEE SERVICES LTD	187.20C
NATHS LTD T/A NATIONAL HEIGHT SPECIA	48,385.20C
NCC SERVICES LTD	1,482.00C
NEOPOST LIMITED	2,924.56C
NETWORK WASTE	3,187.95
NIFES CONSULTING GROUP	10,625.28C
NOPCO PAPER TECHNOLOGY GMBH	20,826.58C
NORDSON (U.K) LTD	1,951.20C
NORKEM LIMITED	8,610.00C
NORMAND & THOMSON (HILLEND)	18,776.40C
NUGENSIS LTD	933.94C
O KAY ENGIN. SERVICES LTD	2,347.20C
O2 (UK) LIMITED	4,208.05C
OGILVIE FLEET LTD	288.00C
OMNIA-CHEM LIMITED	193,025.76C
OMNIA-CHEM LTD	24,319.68C
OMYA UK LTD	761,173.39C
OPEX SOLUTIONS LIMITED	12,647.83C
OPTIMA CONTROL SOLUTIONS LTD	120.00C
PAFRA ADHESIVES LTD	20,406.00C
PAPELTEC OVERSEAS INC	4,400.00C
PAPERLINX CONVERSION CO.	2,637.81C
PARK GATE & CO LIMITED	19,287.60C
PITREAVIE GROUP	30,620.34C
POLLOCK (SCOTRANS) LTD	158,434.76C
POLYTHENE UK LTD	8,485.51C
POOLE PROJECTS LTD	5,877.60C
PORTUCEL	2,062,842.92C
PREMIER ENGRAVING & SIGNS LTD	247.18C
PREMIER PAPER GROUP LTD	7,200.00C
PROCTER MACHINE GUARDING	1,127.62C

PRUFBAU (EUR INVOICE)	959.68C
PUK WATER FILTRATION LTD	588.67C
PUMP SUPPLY & REPAIR GROUP LTD	3,768.30C
PYROLL WINSCHOTEN BV	73,533.09C
QUALITY ASBESTOS SERVICES LTD	8,434.52C
R&B SWITCHGEAR (NORTHERN) LTD	288.00C
R.H. ENGINEERING SERVICES	3,288.00C
R.LINDSAY & CO LTD	47,536.60C
REGAL RUBBER COMPANY	1,524.00C
RIMOR CONVERTING	1,056.00C
RING-A-ROSES	345.96C
RIX SHIPPING (SCOTLAND) LIMITED	9,358.27C
RMS LTD	7,962.00C
ROBERT SUMMERS TRANSPORT	432.00C
ROLPEX LIMITED	5,038.67C
RWE INNOGY MARKINCH LTD	1,567,912.34C
SAFETYKLEEN UK LTD	2,241.00C
SAFIC-ALCAN UK LIMITED	74,880.00C
SAGE (UK) LTD	9,217.12C
SAMPSON NEWSAGENTS	721.35C
SCOT ENVIRON PROTECTN AGEN	11,583.51C
SCOTT TIMBER LTD	611,927.86C
SCOTTISH COAL CO. LTD	104,847.28C
SCOTTISH HYDRO-ELECTRIC	4,147.45C
SCOTTISH SECURITY & FIRE SYSTEMS	620.88C
SCOTTISH WATER	60.48C
SDC INDUSTRIES LTD	366.00C
SERVOTECH LTD	1,344.00C
SIMGE ANTALIS	1,188.78C
SMARTS	3,927.12C
SMEATON ENGINEERING LIMITED	7,258.92C
SOLENIS UK LTD	300,863.62C
SONOCO ALCORE	130,013.85C
STANLEY SECURITY SOLUTIONS LTD	1,365.01C
STRATHALLAN SAFETY LLP	79.20C
STRATHCLYDE TYRE SERVICES LIMITED	3,822.00C
SULZER DOWDING & MILLS	1,508.40C
SULZER DRIVES & CONTROLS	2,616.00C
T.R.E.E. LIMITED	528.00C
TAN INTERNATIONAL SCOTLAND	3,885.84C
TAUPO CONSULTING LIMITED	2,421.00C
TERVAKOSKI DIELECTRICS LTD	94,866.83C
TESA UK LIMITED	32,428.51C
THE DANWOOD GROUP LIMITED	51,885.96C
THE OLD MANOR HOTEL	770.40C
THE WHITE SEA & BALTIC CO LTD	14,784.00C
THERMATIC MAINTENANCE Ltd	1,061.72C
THOMAS MENZIES (BUILDERS) LTD	12,229.20C
TILLY MASTERSON A FUND	2,475.12C
TOWN END (LEEDS) PLC	966.00C

TRANCEL SYSTEMS AB	4,063.10C
TULLIS RUSSELL GROUP LTD	290,268.17C
TULLIS RUSSELL INC	48,396.38C
U.P.S. LIMITED	5,946.16C
UNION PAPELERA	4,273.82C
UNISOURCE WORLDWIDE, INC (USD INVOICE)	1,952.29C
UNITED RADIO CABS	82.90C
UPM S.A.	1,280,474.85C
UPM-KYMMENE CORPORATION	43,252.83C
UPS SCS (UK) LTD	1,302.49C
VALMET LIMITED	1,613.02C
VALMET LTD	4,566.00C
VOITH PAPER AUTOMATION GMBH	3,205.00C
VOITH PAPER FABRIC & ROLL SYSTEM GMB	120,739.16C
VOITH PAPER GMBH & CO KG	5,596.26C
VOITH PAPER GMBH & CO KG	42,017.52C
VOITH PAPER LIMITED	70,038.40C
W A MCGARRIE & SON LTD	41,451.95C
WALKI EKOPAK S.A.	45,628.79C
WATER COOLERS (SCOTLAND) LTD	1,800.90C
WELDING ENGINEERS (GLASGOW) LTD	1,725.03C
WESTGATES COMPUTING LIMITED	1,213.69C
WEYFRINGE BARCODE & LABELLING SYSTEM	391.20C
WOLVERINE FREIGHT SYSTEM	8,758.13C
WOLVERINE WAREHOUSING & DIST. LTD	20,677.97C
YOUATWORK LIMITED	544.84C

21,480,994.29C

ROT

3,000,000.00

-18,480,994.29

Appendix 5 Glossary

BoS	Bank of Scotland, part of Lloyds Banking Group plc
CMS	CMS Cameron McKenna
GMG	GMG Asset Management UK Limited
Group	Tullis Russell Group Limited
GVA	GVA Grimely Limited, property agents
John Wilkie	John Wilkie Specialist Papermill Services Limited
Joint Administrators/we/our/us	Blair Nimmo and Tony Friar
KPMG	KPMG LLP
LBCF	Lloyds Bank Commercial Finance
Pension Scheme, the	The defined benefit pension scheme in which TRP is the principal employer
RPO, the	The Redundancy Payments Office
TRP	Tullis Russell Papermakers Limited - in Administration
WIP	Work in progress

Any references in these proposals to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) Rules 1986 respectively.



Appendix 6 Notice: About this statement of proposals

This statement of proposals ('proposals') has been prepared by Blair Nimmo and Tony Friar, the Joint Administrators of Tullis Russell Papermakers Limited – in Administration ('TRP'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

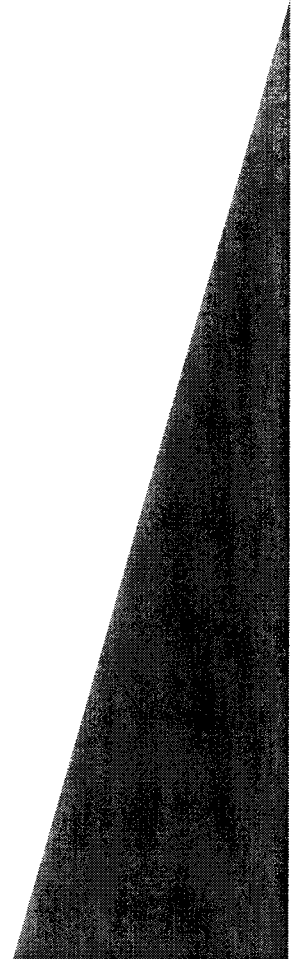
These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in TRP.

Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

Blair Carnegie Nimmo and Gerard Anthony Friar are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

The Joint Administrators act as agents for TRP and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.



© 2015 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International").



TAB B

Appointment of Administrators to

Tullis Russell Papermakers Limited (SC006195) (the "Company")

0X3683.03822

INDEX

1. **Certified Copy Notice of Intention to Appointment an Administrator** by the directors of the Company, together with a resolution by the Company regarding the appointment of Administrators, both dated 23 April 2015 and endorsed by the Court of Session on 27 April 2015;
2. **Certified Copy Notice of Appointment of an Administrator** by the directors of the Company dated 23 April 2015 and endorsed by the Court of Session on 27 April 2015;
3. **Certified Copy Statement pursuant to Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986** dated 23 April 2015 and lodged in the Court of Session on 27 April 2015;
4. **Certified Copy Statement of Proposed Administrator** by Gerard Anthony Friar, together with Statement of Prior Relationship, dated 27 April 2015 and lodged in the Court of Session on 27 April 2015; and
5. **Certified Copy Statement of Proposed Administrator** by Blair Carnegie Nimmo, together with Statement of Prior Relationship, dated 27 April 2015 and lodged in the Court of Session on 27 April 2015.

This is Exhibit "B" referred to in the
affidavit of Blair Carnegie Nimmo
sworn before me, this 13th
day of July 2015

Simon Lamb

A COMMISSIONER FOR TAKING AFFIDAVITS

SIMON LAMB, SOLICITOR,
c/o CMS CAMERON MCKENNA LLP,
191 WEST GEORGE STREET,
GLASGOW, G2 2LD,
SCOTLAND, UK

Certified to be a True Copy

Jan E. M. Atkin

For and on behalf of:

CMS Cameron McKenna LLP,
Saltire Court, 20 Castle Terrace,
Edinburgh EH1 2EN

Rule 2.13

The Insolvency Act 1986

Form 2.7B(Scot)

Notice of intention to appoint an administrator by company or director(s)

Pursuant to paragraph 26 of Schedule B1 to the Insolvency Act 1986 and Rule 2.13 of the Insolvency (Scotland) Rules 1986

Name of Company Tullis Russell Papermakers Limited

Company number SC006195

(a) Insert name and address of registered office of company delete as applicable

1. Notice is given that, in respect of (a) Tullis Russell Papermakers Limited whose registered office is at Rothesfield, Markinch, Fife ("the company")

*~~the company~~/the directors of the company ("the appointor") intend to appoint

(b) Give name(s) and address(es) of proposed administrator(s)

(b) Blair Carnegie Nimmo and Gerard Anthony Friar, both of KPMG LLP, 191 West George Street, Glasgow, G2 2LJ

as administrator(s) of the company.

2. The amount of the company's share capital paid up or credited as paid up is £ 5,449,087.90

3. This notice is being given pursuant to Rule 2.13(2)(b) of the Insolvency Scotland Rules 1986 to the following persons, being ~~person(s) who is/are or may be entitled to appoint an administrative receiver of the company or an administrator of the company under paragraph 14 of Schedule B1 to the Insolvency Act 1986~~ the sole shareholder of the company:

(c) Insert name and address of each person to whom notice is given

(c) Tullis Russell Group Limited, having its registered office at Rothesfield, Markinch, Fife, KY7 6PB

4. The company has not, within the last twelve months—

- (i) been in administration;
- (ii) been the subject of a moratorium under Schedule A1 to the Insolvency Act 1986 which has ended on a date when no voluntary arrangement was in force; or
- (iii) been the subject of a voluntary arrangement which was made during a moratorium for the company under Schedule A1 to the Insolvency Act 1986 and which ended prematurely within the meaning of section 7B of the Insolvency Act 1986.

5. In relation to the company there is no—

- (i) petition for winding up which has been presented but not yet disposed of;
- (ii) administration application which has not yet been disposed of; or
- (iii) administrative receiver in office,

Form 2.7B(Scot) continued

Delete as applicable

6. The company ~~is/is not~~ ~~*an insurance undertaking/a credit institution/an investment undertaking providing services involving the holding of funds or securities for third parties/a collective investment undertaking under Article 1.2 of the EC Regulation.~~

.) Insert whether main, secondary or territorial proceedings

7. For the following reasons it is considered that the EC Regulation ~~*will/will not~~ apply. If it does, these proceedings will be (d) main proceedings as defined in Article 3 of the Regulation: The company has its registered office in Scotland and its business is in the UK. The company's centre of main interests is presumed to be the UK and the company does not fall within one of the excepted categories.

8. Attached to this notice is ~~*a copy of the resolution of the company to appoint an administrator/a~~ record of the decision of the directors to appoint an administrator.

(e) Insert full name of court

9. This notice is to be lodged in (e) The Court of Session, Parliament House, Parliament Square, Edinburgh EH1 1RQ.

Any enquiries should be addressed not to the court but to the appointor at the address stated in this form.

(f) Insert name and address of person making declaration

10. I (f) GEOFFREY DOUGLAS MILLER
 DIRECTOR OF TULLIS RUSSELL PAPERMAKERS LIMITED
(If making the declaration on behalf of appointor indicate capacity e.g. director/solicitor)

hereby do solemnly and sincerely declare that:

- (i) the company is or is likely to become unable to pay its debts;
- (ii) the company is not in liquidation; and
- (iii) the statements in paragraphs 4 and 5 are, so far as I am able to ascertain, true,

and that the information provided in this notice is to the best of my knowledge and belief true,

AND I making this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at MARKINCH

Signed *[Signature]*

This 27th day of APRIL 2015

before me *[Signature]* E.M. Aitken

Note: this form now to be sent to all those required to be sent the forms by Rule 2.13(2)

A Notary Public or Justice of the Peace or Solicitor

Form 2.7B(Scot) continued

Consent of Sole Shareholder to Appointment of Administrator

(Do not detach this part of the form)

If, having read this notice, you have no objection to the making of this appointment you should complete the details in the box below and return a copy of this notice as soon as possible, and within five business days from receipt of this notice, to the appointor at the following address:

(g) Appointor to insert address

(g) The Directors, Tullis Russell Papermakers Limited having its registered office at Rothesfield, Markinch, Fife

If your consent has not been given within five business days the appointor may make the appointment notwithstanding that you have not notified your consent to the appointment.

(h) Insert name and address

(h) Tullis Russell Group Limited having its registered office at Rothesfield, Markinch, Fife, KY7 6PB

being the sole shareholder of the company

confirms that notice of the appointment of the administrator(s) (in accordance with the details of this notice) has been given to the company pursuant to Rule 2.13(2)(b) of the Insolvency (Scotland) Rules 1986 and waives the requirement for the appointor to give the company 5 days written notice of its intention to appoint administrators.

Signed [Signature] DIRECTOR OF TULLIS RUSSELL PAPERMAKERS LIMITED
(If signing on behalf of a firm or company state position or office held)

Dated 23 APRIL 2015

(j) Insert date and time

Endorsement to be completed by the court

This notice was lodged on (j) 27th April 2015 @ 11:02am

[Signature]

RESOLUTION BY COMPANY RE APPOINTMENT OF ADMINISTRATOR(S)

Extract from the MINUTES of MEETING of the DIRECTORS

Of Tullis Russell Papermakers Limited ("the Company") held
at MARKINCH

on 27 APRIL 2015

IT WAS RESOLVED THAT:

- (a) it would be in the best interests of the Company and its creditors to enter administration;
- (b) Blair Carnegie Nimmo and Gerard Anthony Friar both of KPMG LLP, 191 West George Street, Glasgow, G2 2LJ and both duly qualified to act as administrators, be appointed as Administrators of the Company by the directors of the Company; and
- (c) Geoffrey Douglas Miller, a director of the Company be authorised and is hereby authorised to:

(i) complete and execute the requisite documentation in respect of the said appointment including, inter alios:

- the Notice of Intention to Appoint Administrators to be issued to Tullis Russell Group Ltd, being the sole shareholder of the Company; and
- the Notice of Appointment of Administrators; and

(ii) file the requisite documentation at the Court of Session, Edinburgh on 27 April 2015.

Certified as a true Extract.

Signed by

.....
Director

Certified to be a True Copy

John E. M. Aitken

For and on behalf of:
CMS Cameron McKenna LLP,
Saltire Court, 20 Castle Terrace,
Edinburgh EH1 2EN

P415/15

Rule 2.16

The Insolvency Act 1986

Form 2.8B(Scot)

Notice of appointment of an administrator by company or director(s)

(Where a notice of intention to appoint has been issued)

Pursuant to paragraphs 22 and 29 of Schedule B1 to the Insolvency Act 1986 and Rule 2.16 of the Insolvency (Scotland) Rules 1986

Name of Company
Tullis Russell Papermakers Limited

Company number
SC006195

(a) Name and address of holder of registered

*Delete as applicable

1. Notice is given that, in respect of (a) Tullis Russell Papermakers Limited, Rothesfield, Markinch, Fife ("the company")

~~the company~~/directors of the company ("the appointor") hereby appoints

b) Give name(s) and address(es) of administrator(s)

(b) Blair Carnegie Nimmo and Gerard Anthony Friar, both of KPMG LLP, 191 West George Street, Glasgow, G2 2LJ

as administrator(s) of the company.

*Delete as applicable

2. The amount of the company's share capital paid up or credited as paid up is £ 5,449,087.90

3. The statements of the proposed administrator(s) ~~is~~/are attached.

4. The appointor is entitled to make an appointment under paragraph 22 of Schedule B1 to the Insolvency Act 1986.

5. The appointment is in accordance with Schedule B1 to the Insolvency Act 1986.

*Delete as applicable

6. The company ~~is~~/is not ~~an~~ insurance undertaking/a credit institution/an investment undertaking providing services involving the holding of funds or securities for third parties/a collective investment undertaking under Article 1.2 of the EC Regulation.

(c) State whether main, secondary or territorial proceedings

7. For the following reasons it is considered that the EC Regulation ~~will~~/will not apply. If it does, these proceedings will be (d) main proceedings as defined in Article 3 of the Regulation: The company has its registered office in Scotland and its business is in the UK. The company's centre of main interests is presumed to be the UK and the company does not fall within one of the excepted categories.

8. Where there are joint administrators, a statement for the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 is attached.

9. The appointor has given written notice of the intention to appoint pursuant to Rule 2.13(2)(b) of the Insolvency (Scotland) Rules 1986 ~~at least five business days' written notice of the intention to appoint in accordance with paragraph 26(1) of Schedule B1 to the Insolvency Act 1986~~ and a copy of that notice was lodged in The Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ (court) on

(d) Insert date

(d) 27 April 2015

(e) Insert name and address of person making declaration

Form 2.8B(Scot) continued

10. I(e) JEFFREY DOUGLAS MILLER,
DIRECTOR OF TULLIS RUSSELL PAPERMAKERS LIMITED

(If making the declaration on behalf of appointor indicate capacity e.g. director/solicitor)

do solemnly and sincerely declare that-

- (i) the information provided in this notice; and
- (ii) the statement made and information given in the notice of intention to appoint,

are, and remain, to the best of my knowledge and belief, true,

AND I making this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at MARKINCH

Signed [Signature]

This 23rd day of APRIL 2015

before me Jan E.M. Kinton

A Notary Public or Justice of the Peace or Solicitor

Endorsement to be completed by the court

(f) Insert date and time

This notice was lodged on (f) 27th April 2015 at 11:04 am

[Signature]

Rule 2.2
Rule 2.4
Rule 2.10
Rule 2.16
Rule 2.53

The Insolvency Act 1986

Form 2.1B (Scot)

Statement of proposed administrator

Pursuant to paragraph 18(3) or 29(3) of Schedule B1 to the Insolvency Act 1986 and Rule 2.2, 2.4(2), 2.10(2), 2.16(3) or 2.53(1) of the Insolvency (Scotland) Rules 1986

Name of company Tullis Russell Papermakers Limited	Company number SC006195
---	----------------------------

- (a) Insert name and address of proposed administrator
1. I (a) Gerard Anthony Friar of KPMG LLP, 191 West George Street, Glasgow, G2 2LJ
- hereby certify that I am authorised under the provisions of Part XIII of the Insolvency Act 1986 to act as an insolvency practitioner.
- I.P. No: 8982
- Name of Regulatory Body: The Institute of Chartered Accountants of Scotland
- (b) Insert name of company
* Delete as applicable
2. I consent to act as administrator of (b) Tullis Russell Papermakers Limited, ("the company") in accordance with the ~~*application/~~ notice of appointment of
- (c) Insert name of person presenting administration application or making the appointment
(d) Insert date of application or notice of appointment
* Delete as applicable
- (c) The Directors of the company dated (d) 23 April 2015
3. I am of the opinion that the purpose of administration is reasonably likely to be achieved.
4. I ~~*have / have not~~ had any prior professional relationship with the company.
5. I attach to this Statement a short summary of any prior professional relationship(s) with the company.

Signed



Dated

27 APRIL 2015.

Certified to be a True Copy

John E.M. Bitten
.....
For and on behalf of:
CMS Cameron McKenna LLP,
Saltire Court, 20 Castle Terrace,
Edinburgh EH1 2EN

**TULLIS RUSSELL PAPERMAKERS LIMITED (REGISTERED NUMBER SC006195) (THE
"PAPERMAKERS")**

STATEMENT OF PRIOR PROFESSIONAL RELATIONSHIP

OF GERARD ANTHONY FRIAR (I.P. No: 8982)

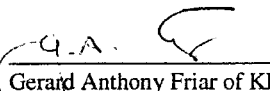
Through their association with KPMG LLP, Blair Carnegie Nimmo (I.P. No. 8208) and Gerard Anthony Friar (I.P. No. 8982) (the "Proposed Administrators") have previously been involved directly with Papermakers.

Each of the Proposed Administrators is a Partner or employee of KPMG LLP, which was engaged by Tullis Russell Group Limited ("Group"), a company which owns 100% of the issued share capital of Papermakers, to perform the following tasks for Group and Papermakers:p

- assess the refinancing options available to Group, including Papermakers.
- advise Group on the potential strategy for selling the Papermakers business, including:
 - assist Group with identifying potential purchasers of Papermakers;
 - provide input into the preparation of marketing collateral used to offer Papermakers for sale;
 - liaise with any potential interested parties during the course of the sales process; and
 - assist Group with the evaluation of any offers received for Papermakers.
- provide Group with guidance on potential alternative outcomes and contingency options in the event that a sale of Papermakers is not achieved.
- assist Group with understanding the implications to the defined benefit pension scheme (in which Papermakers is the principal employer) of any sale or contingency scenario.
- planning for an Administration of Papermakers in the event that this should be necessary to implement.

As one of the Proposed Administrators, I hereby confirm that we have fully considered the relevant guide to professional conduct and ethics as issued by our regulatory bodies and are satisfied that the existence of this prior relationship does not create any conflict of interest or threat to independence for the Proposed Administrators and therefore we consider ourselves able to accept the appointment.

Signed:


Gerard Anthony Friar of KPMG LLP
191 West George Street
Glasgow
G2 2LJ

Rule 2.2
Rule 2.4
Rule 2.10
Rule 2.16
Rule 2.53

The Insolvency Act 1986

Form 2.1B (Scot)

Statement of proposed administrator

Pursuant to paragraph 18(3) or 29(3) of Schedule B1 to the Insolvency Act 1986 and Rule 2.2, 2.4(2), 2.10(2), 2.16(3) or 2.53(1) of the Insolvency (Scotland) Rules 1986

Name of company Tullis Russell Papermakers Limited	Company number SC006195
---	----------------------------

(a) Insert name and address of proposed administrator

1. I (a) Blair Carnegie Nimmo of KPMG LLP, 191 West George Street, Glasgow, G2 2LJ

hereby certify that I am authorised under the provisions of Part XIII of the Insolvency Act 1986 to act as an insolvency practitioner.

I.P. No: 8208

Name of Regulatory Body: The Institute of Chartered Accountants of Scotland

(b) Insert name of company

* Delete as applicable

2. I consent to act as administrator of (b) Tullis Russell Papermakers Limited,

("the company") in accordance with the *~~application~~ / notice of appointment of

(c) Insert name of person presenting administration application or making the appointment

(c) The Directors of the company

(d) Insert date of application or notice of appointment

dated (d) 23 April 2015

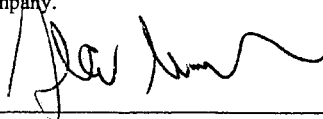
* Delete as applicable

3. I am of the opinion that the purpose of administration is reasonably likely to be achieved.

4. I *~~have~~ ~~not~~ had any prior professional relationship with the company.

5. I attach to this Statement a short summary of any prior professional relationship(s) with the company.

Signed



Dated

27 APRIL 2015

Certified to be a True Copy

Jan E M. Adken

For and on behalf of:
CMS Cameron McKenna LLP,
Saltire Court, 20 Castle Terrace,
Edinburgh EH1 2EN

**TULLIS RUSSELL PAPERMAKERS LIMITED (REGISTERED NUMBER SC006195) (THE
"PAPERMAKERS")**

STATEMENT OF PRIOR PROFESSIONAL RELATIONSHIP

OF BLAIR CARNEGIE NIMMO (I.P. No: 8208)

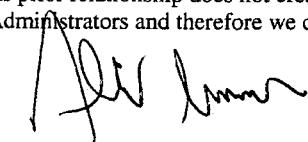
Through their association with KPMG LLP, Blair Carnegie Nimmo (I.P. No. 8208) and Gerard Anthony Friar (I.P. No. 8982) (the "**Proposed Administrators**") have previously been involved directly with Papermakers.

Each of the Proposed Administrators is a Partner or employee of KPMG LLP, which was engaged by Tullis Russell Group Limited ("Group"), a company which owns 100% of the issued share capital of Papermakers, to perform the following tasks for Group and Papermakers:

- assess the refinancing options available to Group, including Papermakers.
- advise Group on the potential strategy for selling the Papermakers business, including:
 - assist Group with identifying potential purchasers of Papermakers;
 - provide input into the preparation of marketing collateral used to offer Papermakers for sale;
 - liaise with any potential interested parties during the course of the sales process; and
 - assist Group with the evaluation of any offers received for Papermakers.
- provide Group with guidance on potential alternative outcomes and contingency options in the event that a sale of Papermakers is not achieved.
- assist Group with understanding the implications to the defined benefit pension scheme (in which Papermakers is the principal employer) of any sale or contingency scenario.
- planning for an Administration of Papermakers in the event that this should be necessary to implement.

As one of the Proposed Administrators, I hereby confirm that we have fully considered the relevant guide to professional conduct and ethics as issued by our regulatory bodies and are satisfied that the existence of this prior relationship does not create any conflict of interest or threat to independence for the Proposed Administrators and therefore we consider ourselves able to accept the appointment.

Signed:



Blair Carnegie Nimmo of KPMG LLP
191 West George Street
Glasgow
G2 2LJ

TAB C

*Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)*



Insolvency Act 1986

1986 CHAPTER 45

This is Exhibit... "C" ...referred to in the
affidavit of... Blair Carnegie Nimmo
sworn before me, this... 13th ...
day of... July ... 20.15

Simon Lamb

A COMMISSIONER FOR TAKING AFFIDAVITS

Simon Lamb Solicitor,
c/o Mrs Cameron McKenna LLP,
191 West George Street,
Glasgow, G2 2LD,
Scotland, UK

An Act to consolidate the enactments relating to company insolvency and winding up (including the winding up of companies that are not insolvent, and of unregistered companies); enactments relating to the insolvency and bankruptcy of individuals; and other enactments bearing on those two subject matters, including the functions and qualification of insolvency practitioners, the public administration of insolvency, the penalisation and redress of malpractice and wrongdoing, and the avoidance of certain transactions at an undervalue
[25th July 1986]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Annotations:

Modifications etc. (not altering text)

- C1** Act amended by Social Security Pensions Act 1975 (c. 60, SIF 113:1), s. 59D(3) (as inserted by Social Security Act 1990 (c. 27, SIF 113:1), s. 12(1), Sch. 3)
Act amended (25.4.1991) by Companies Act 1989 (c. 40), ss. 154, 155, 158(1), 174(1), 190(6); S.I. 1991/878, art. 2, Sch. (with art. 3(4))
Act amended (29.6.1992) by Social Security Pensions Act 1975 (c. 60, SIF 113:1), s. 58B(5) (as inserted (29.6.1992) by Social Security Act 1990 (c. 27, SIF 113:1), s. 14, Sch. 4 Pt. I para. 2; S.I. 1992/1532, art. 2)
Act amended (1.4.1994) by 1993 c. 43, ss. 59(3), 150(1)(c), Sch. 6 Pt. III para. 20(1)-(3); S.I. 1994/571, art. 5 (with transitional provision in art. 7)
Act (except ss. 8-10, 24-26) amended (1.2.2001) by 2000 c. 38, s. 30, Sch. 1 Pt. II para. 13(1)(3) (with ss. 105(2)(5), 106); S.I. 2001/57, art. 3(1), Sch. 2 Pt. I (subject to transitional provision and saving in Sch. 2 Pt. II)
Act amended (1.2.2001) by 2000 c. 38, s. 30, Sch. 1 Pt. II para. 13(2)(3) (with ss. 105(2)(5), 106); S.I. 2001/57, art. 3(1), Sch. 2 Pt. I (subject to transitional provision and saving in Sch. 2 Pt. II)
Act amended (30.12.2002) by 2002 c. 29, s. 311(4); S.I. 2002/3015, art. 2(1), Sch.
- C2** Act restricted (E.W.S.) by Drug Trafficking Offences Act 1986 (c. 32, SIF 39:1), s. 15(3)(7)

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

(including one contained in this Schedule) or contained in the ^{M75}Company Directors Disqualification Act 1986.

- (4) Regulations (except regulations under paragraph 5) or an order made by the Secretary of State under this Schedule shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) Regulations under paragraph 5 of this Schedule are to be made by statutory instrument and shall only be made if a draft containing the regulations has been laid before and approved by resolution of each House of Parliament.]

Annotations:

Amendments (Textual)

F715 Sch. A1 inserted (11.5.2001 so far as is necessary to give effect to Sch. A1 paras. 5, 45(1)-(3)(5) and 1.1.2003 in so far as not already in force) by 2000 c. 39, s. 1, Sch. 1 para. 4; S.I. 2001/1751, art. 2; S.I. 2002/2711, art. 2 (subject to transitional provisions in arts. 3-5)

Marginal Citations

M75 1986 c. 46.

[^{F716}SCHEDULE B1

ADMINISTRATION

Annotations:

Amendments (Textual)

F716 Sch. B1 inserted (15.9.2003) by 2002 c. 40, ss. 248(2), 279, Sch. 16 (with s. 249(1)-(3)(6)); S.I. 2003/2093, art. 2(1), Sch. 1 (subject to arts. 3-8 (as amended by S.I. 2003/2332, art. 2))

Modifications etc. (not altering text)

C877 Sch. B1: specified provisions applied (with modifications) (5.10.2004) by Energy Act 2004 (c. 20), ss. 159(1), 198, Sch. 20 Pts. 1-3; S.I. 2004/2575, art. 2(1), Sch. 1

C878 Sch. B1 applied (with modifications) (1.7.2005) by S.I. 1994/2421, art. 6(1), Sch. 2 (as amended (1.7.2005) by S.I. 2005/1516, arts. 3, 7, Sch. 1 (with art. 2))

C879 Sch. B1: specified provisions applied (with modifications) (1.10.2011) by Postal Services Act 2011 (c. 5), ss. 73, 93(2)(3), {Sch. 10 Pts. 1, 2}; S.I. 2011/2329, art. 3 (with arts. 4, 5)

ARRANGEMENT OF SCHEDULE

Nature of administration	Paragraphs 1 to 9
Appointment of administrator by court	Paragraphs 10 to 13
Appointment of administrator by holder of floating charge	Paragraphs 14 to 21
Appointment of administrator by company or directors	Paragraphs 22 to 34

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Administration application: special cases	Paragraphs 35 to 39
Effect of administration	Paragraphs 40 to 45
Process of administration	Paragraphs 46 to 58
Functions of administrator	Paragraphs 59 to 75
Ending administration	Paragraphs 76 to 86
Replacing administrator	Paragraphs 87 to 99
General	Paragraphs 100 to 116

NATURE OF ADMINISTRATION

Administration

- 1 (1) For the purposes of this Act “administrator” of a company means a person appointed under this Schedule to manage the company’s affairs, business and property.
- (2) For the purposes of this Act—
 - (a) a company is “in administration” while the appointment of an administrator of the company has effect,
 - (b) a company “enters administration” when the appointment of an administrator takes effect,
 - (c) a company ceases to be in administration when the appointment of an administrator of the company ceases to have effect in accordance with this Schedule, and
 - (d) a company does not cease to be in administration merely because an administrator vacates office (by reason of resignation, death or otherwise) or is removed from office.
- 2 A person may be appointed as administrator of a company—
 - (a) by administration order of the court under paragraph 10,
 - (b) by the holder of a floating charge under paragraph 14, or
 - (c) by the company or its directors under paragraph 22.

Purpose of administration

- 3 (1) The administrator of a company must perform his functions with the objective of—
 - (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company’s creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company’s creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either—
 - (a) that it is not reasonably practicable to achieve that objective, or

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if—
 - (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole.
- 4 The administrator of a company must perform his functions as quickly and efficiently as is reasonably practicable.

Status of administrator

- 5 An administrator is an officer of the court (whether or not he is appointed by the court).

General restrictions

- 6 A person may be appointed as administrator of a company only if he is qualified to act as an insolvency practitioner in relation to the company.
- 7 A person may not be appointed as administrator of a company which is in administration (subject to the provisions of paragraphs 90 to 97 and 100 to 103 about replacement and additional administrators).
- 8 (1) A person may not be appointed as administrator of a company which is in liquidation by virtue of—
 - (a) a resolution for voluntary winding up, or
 - (b) a winding-up order.
 (2) Sub-paragraph (1)(a) is subject to paragraph 38.
 (3) Sub-paragraph (1)(b) is subject to paragraphs 37 and 38.
- 9 (1) A person may not be appointed as administrator of a company which—
 - (a) has a liability in respect of a deposit which it accepted in accordance with the Banking Act 1979 (c. 37) or 1987 (c. 22), but
 - (b) is not an authorised deposit taker.
 (2) A person may not be appointed as administrator of a company which effects or carries out contracts of insurance.
 (3) But sub-paragraph (2) does not apply to a company which—
 - (a) is exempt from the general prohibition in relation to effecting or carrying out contracts of insurance, or
 - (b) is an authorised deposit taker effecting or carrying out contracts of insurance in the course of a banking business.
 (4) In this paragraph—
 - “authorised deposit taker” means a person with permission under Part IV of the Financial Services and Markets Act 2000 (c. 8) to accept deposits, and
 - “the general prohibition” has the meaning given by section 19 of that Act.

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

(b) the appointment is discovered to be invalid.

- (2) The court may order the person who purported to make the appointment to indemnify the person appointed against liability which arises solely by reason of the appointment's invalidity.

APPOINTMENT OF ADMINISTRATOR BY COMPANY OR DIRECTORS

Power to appoint

- 22 (1) A company may appoint an administrator.
 (2) The directors of a company may appoint an administrator.

Annotations:

Modifications etc. (not altering text)

C882 Sch. B1 para. 22 restricted (5.10.2004) by Energy Act 2004 (c. 20), ss. 163, 198; S.I. 2004/2575, art. 2(1), Sch. 1

Restrictions on power to appoint

- 23 (1) This paragraph applies where an administrator of a company is appointed—
 (a) under paragraph 22, or
 (b) on an administration application made by the company or its directors.
 (2) An administrator of the company may not be appointed under paragraph 22 during the period of 12 months beginning with the date on which the appointment referred to in sub-paragraph (1) ceases to have effect.
- 24 (1) If a moratorium for a company under Schedule A1 ends on a date when no voluntary arrangement is in force in respect of the company, this paragraph applies for the period of 12 months beginning with that date.
 (2) This paragraph also applies for the period of 12 months beginning with the date on which a voluntary arrangement in respect of a company ends if—
 (a) the arrangement was made during a moratorium for the company under Schedule A1, and
 (b) the arrangement ends prematurely (within the meaning of section 7B).
 (3) While this paragraph applies, an administrator of the company may not be appointed under paragraph 22.
- 25 An administrator of a company may not be appointed under paragraph 22 if—
 (a) a petition for the winding up of the company has been presented and is not yet disposed of,
 (b) an administration application has been made and is not yet disposed of, or
 (c) an administrative receiver of the company is in office.

Notice of intention to appoint

- 26 (1) A person who proposes to make an appointment under paragraph 22 shall give at least five business days' written notice to—

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- (a) any person who is or may be entitled to appoint an administrative receiver of the company, and
 - (b) any person who is or may be entitled to appoint an administrator of the company under paragraph 14.
- (2) A person who proposes to make an appointment under paragraph 22 shall also give such notice as may be prescribed to such other persons as may be prescribed.
- (3) A notice under this paragraph must—
- (a) identify the proposed administrator, and
 - (b) be in the prescribed form.
- 27 (1) A person who gives notice of intention to appoint under paragraph 26 shall file with the court as soon as is reasonably practicable a copy of—
- (a) the notice, and
 - (b) any document accompanying it.
- (2) The copy filed under sub-paragraph (1) must be accompanied by a statutory declaration made by or on behalf of the person who proposes to make the appointment—
- (a) that the company is or is likely to become unable to pay its debts,
 - (b) that the company is not in liquidation, and
 - (c) that, so far as the person making the statement is able to ascertain, the appointment is not prevented by paragraphs 23 to 25, and
 - (d) to such additional effect, and giving such information, as may be prescribed.
- (3) A statutory declaration under sub-paragraph (2) must—
- (a) be in the prescribed form, and
 - (b) be made during the prescribed period.
- (4) A person commits an offence if in a statutory declaration under sub-paragraph (2) he makes a statement—
- (a) which is false, and
 - (b) which he does not reasonably believe to be true.
- 28 (1) An appointment may not be made under paragraph 22 unless the person who makes the appointment has complied with any requirement of paragraphs 26 and 27 and—
- (a) the period of notice specified in paragraph 26(1) has expired, or
 - (b) each person to whom notice has been given under paragraph 26(1) has consented in writing to the making of the appointment.
- (2) An appointment may not be made under paragraph 22 after the period of ten business days beginning with the date on which the notice of intention to appoint is filed under paragraph 27(1).

Notice of appointment

- 29 (1) A person who appoints an administrator of a company under paragraph 22 shall file with the court—
- (a) a notice of appointment, and
 - (b) such other documents as may be prescribed.

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- (2) The notice of appointment must include a statutory declaration by or on behalf of the person who makes the appointment—
- (a) that the person is entitled to make an appointment under paragraph 22,
 - (b) that the appointment is in accordance with this Schedule, and
 - (c) that, so far as the person making the statement is able to ascertain, the statements made and information given in the statutory declaration filed with the notice of intention to appoint remain accurate.
- (3) The notice of appointment must identify the administrator and must be accompanied by a statement by the administrator—
- (a) that he consents to the appointment,
 - (b) that in his opinion the purpose of administration is reasonably likely to be achieved, and
 - (c) giving such other information and opinions as may be prescribed.
- (4) For the purpose of a statement under sub-paragraph (3) an administrator may rely on information supplied by directors of the company (unless he has reason to doubt its accuracy).
- (5) The notice of appointment and any document accompanying it must be in the prescribed form.
- (6) A statutory declaration under sub-paragraph (2) must be made during the prescribed period.
- (7) A person commits an offence if in a statutory declaration under sub-paragraph (2) he makes a statement—
- (a) which is false, and
 - (b) which he does not reasonably believe to be true.
- 30 In a case in which no person is entitled to notice of intention to appoint under paragraph 26(1) (and paragraph 28 therefore does not apply)—
- (a) the statutory declaration accompanying the notice of appointment must include the statements and information required under paragraph 27(2), and
 - (b) paragraph 29(2)(c) shall not apply.

Commencement of appointment

- 31 The appointment of an administrator under paragraph 22 takes effect when the requirements of paragraph 29 are satisfied.
- 32 A person who appoints an administrator under paragraph 22—
- (a) shall notify the administrator and such other persons as may be prescribed as soon as is reasonably practicable after the requirements of paragraph 29 are satisfied, and
 - (b) commits an offence if he fails without reasonable excuse to comply with paragraph (a).
- 33 If before the requirements of paragraph 29 are satisfied the company enters administration by virtue of an administration order or an appointment under paragraph 14—
- (a) the appointment under paragraph 22 shall not take effect, and
 - (b) paragraph 32 shall not apply.

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Invalid appointment: indemnity

- 34 (1) This paragraph applies where—
- (a) a person purports to appoint an administrator under paragraph 22, and
 - (b) the appointment is discovered to be invalid.
- (2) The court may order the person who purported to make the appointment to indemnify the person appointed against liability which arises solely by reason of the appointment's invalidity.

ADMINISTRATION APPLICATION – SPECIAL CASES

Application by holder of floating charge

- 35 (1) This paragraph applies where an administration application in respect of a company—
- (a) is made by the holder of a qualifying floating charge in respect of the company's property, and
 - (b) includes a statement that the application is made in reliance on this paragraph.
- (2) The court may make an administration order—
- (a) whether or not satisfied that the company is or is likely to become unable to pay its debts, but
 - (b) only if satisfied that the applicant could appoint an administrator under paragraph 14.

Intervention by holder of floating charge

- 36 (1) This paragraph applies where—
- (a) an administration application in respect of a company is made by a person who is not the holder of a qualifying floating charge in respect of the company's property, and
 - (b) the holder of a qualifying floating charge in respect of the company's property applies to the court to have a specified person appointed as administrator (and not the person specified by the administration applicant).
- (2) The court shall grant an application under sub-paragraph (1)(b) unless the court thinks it right to refuse the application because of the particular circumstances of the case.

Application where company in liquidation

- 37 (1) This paragraph applies where the holder of a qualifying floating charge in respect of a company's property could appoint an administrator under paragraph 14 but for paragraph 8(1)(b).
- (2) The holder of the qualifying floating charge may make an administration application.
- (3) If the court makes an administration order on hearing an application made by virtue of sub-paragraph (2)—
- (a) the court shall discharge the winding-up order,
 - (b) the court shall make provision for such matters as may be prescribed,

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- (c) the court may make other consequential provision,
 - (d) the court shall specify which of the powers under this Schedule are to be exercisable by the administrator, and
 - (e) this Schedule shall have effect with such modifications as the court may specify.
- 38 (1) The liquidator of a company may make an administration application.
- (2) If the court makes an administration order on hearing an application made by virtue of sub-paragraph (1)—
- (a) the court shall discharge any winding-up order in respect of the company,
 - (b) the court shall make provision for such matters as may be prescribed,
 - (c) the court may make other consequential provision,
 - (d) the court shall specify which of the powers under this Schedule are to be exercisable by the administrator, and
 - (e) this Schedule shall have effect with such modifications as the court may specify.

Effect of administrative receivership

- 39 (1) Where there is an administrative receiver of a company the court must dismiss an administration application in respect of the company unless—
- (a) the person by or on behalf of whom the receiver was appointed consents to the making of the administration order,
 - (b) the court thinks that the security by virtue of which the receiver was appointed would be liable to be released or discharged under sections 238 to 240 (transaction at undervalue and preference) if an administration order were made,
 - (c) the court thinks that the security by virtue of which the receiver was appointed would be avoided under section 245 (avoidance of floating charge) if an administration order were made, or
 - (d) the court thinks that the security by virtue of which the receiver was appointed would be challengeable under section 242 (gratuitous alienations) or 243 (unfair preferences) or under any rule of law in Scotland.
- (2) Sub-paragraph (1) applies whether the administrative receiver is appointed before or after the making of the administration application.

EFFECT OF ADMINISTRATION

Dismissal of pending winding-up petition

- 40 (1) A petition for the winding up of a company—
- (a) shall be dismissed on the making of an administration order in respect of the company, and
 - (b) shall be suspended while the company is in administration following an appointment under paragraph 14.
- (2) Sub-paragraph (1)(b) does not apply to a petition presented under—
- (a) section 124A (public interest), or
 - [^{F719}(aa) section 124B (SEs).]

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- (b) section 367 of the Financial Services and Markets Act 2000 (c. 8) (petition by Financial Services Authority).
- (3) Where an administrator becomes aware that a petition was presented under a provision referred to in sub-paragraph (2) before his appointment, he shall apply to the court for directions under paragraph 63.

Annotations:

Amendments (Textual)

F719 Sch. B1 para. 40(2)(aa) inserted (8.10.2004) by The European Public Limited-Liability Company Regulations 2004 (S.I. 2004/2326), reg. 73(4)(c)

Modifications etc. (not altering text)

C883 Sch. B1 para. 40 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 119, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 2

C884 Sch. B1 para. 40(1)(a) applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Dismissal of administrative or other receiver

- 41 (1) When an administration order takes effect in respect of a company any administrative receiver of the company shall vacate office.
- (2) Where a company is in administration, any receiver of part of the company's property shall vacate office if the administrator requires him to.
- (3) Where an administrative receiver or receiver vacates office under sub-paragraph (1) or (2)—
- (a) his remuneration shall be charged on and paid out of any property of the company which was in his custody or under his control immediately before he vacated office, and
- (b) he need not take any further steps under section 40 or 59.
- (4) In the application of sub-paragraph (3)(a)—
- (a) "remuneration" includes expenses properly incurred and any indemnity to which the administrative receiver or receiver is entitled out of the assets of the company,
- (b) the charge imposed takes priority over security held by the person by whom or on whose behalf the administrative receiver or receiver was appointed, and
- (c) the provision for payment is subject to paragraph 43.

Annotations:

Modifications etc. (not altering text)

C885 Sch. B1 para. 41 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

C886 Sch. B1 para. 41(2) excluded (26.12.2003) by The Financial Collateral Arrangements (No.2) Regulations 2003 (S.I. 2003/3226), reg. 8(2)

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Moratorium on insolvency proceedings

- 42 (1) This paragraph applies to a company in administration.
- (2) No resolution may be passed for the winding up of the company.
- (3) No order may be made for the winding up of the company.
- (4) Sub-paragraph (3) does not apply to an order made on a petition presented under—
- (a) section 124A (public interest), or
 - [^{F720}(aa) section 124B (SEs),]
 - (b) section 367 of the Financial Services and Markets Act 2000 (c. 8) (petition by Financial Services Authority).
- (5) If a petition presented under a provision referred to in sub-paragraph (4) comes to the attention of the administrator, he shall apply to the court for directions under paragraph 63.

Annotations:

Amendments (Textual)

F720 Sch. B1 para 42(4)(aa) inserted (8.10.2004) by The European Public Limited-Liability Company Regulations 2004 (S.I. 2004/2326), reg. 73(4)(e)

Modifications etc. (not altering text)

C887 Sch. B1 para. 42 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 119, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 2

C888 Sch. B1 para. 42 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Moratorium on other legal process

- 43 (1) This paragraph applies to a company in administration.
- (2) No step may be taken to enforce security over the company's property except—
- (a) with the consent of the administrator, or
 - (b) with the permission of the court.
- (3) No step may be taken to repossess goods in the company's possession under a hire-purchase agreement except—
- (a) with the consent of the administrator, or
 - (b) with the permission of the court.
- (4) A landlord may not exercise a right of forfeiture by peaceable re-entry in relation to premises let to the company except—
- (a) with the consent of the administrator, or
 - (b) with the permission of the court.
- (5) In Scotland, a landlord may not exercise a right of irritancy in relation to premises let to the company except—
- (a) with the consent of the administrator, or
 - (b) with the permission of the court.

*Status: This version of this Act contains provisions that are prospective.
 Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)*

- (6) No legal process (including legal proceedings, execution, distress and diligence) may be instituted or continued against the company or property of the company except—
- (a) with the consent of the administrator, or
 - (b) with the permission of the court.

[^{F721}(6A) An administrative receiver of the company may not be appointed.]

- (7) Where the court gives permission for a transaction under this paragraph it may impose a condition on or a requirement in connection with the transaction.
- (8) In this paragraph “landlord” includes a person to whom rent is payable.

Annotations:

Amendments (Textual)

F721 Sch. B1 para. 43(6A) inserted (15.9.2003) by The Enterprise Act 2002 (Insolvency) Order 2003 (S.I. 2003/2096), art. 2(3)

Modifications etc. (not altering text)

C889 Sch. B1 para. 43 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

C890 Sch. B1 para. 43(2) excluded (26.12.2003) by The Financial Collateral Arrangements (No.2) Regulations 2003 (S.I. 2003/3226), reg. 8(1)(a)

Interim moratorium

- 44 (1) This paragraph applies where an administration application in respect of a company has been made and—
- (a) the application has not yet been granted or dismissed, or
 - (b) the application has been granted but the administration order has not yet taken effect.
- (2) This paragraph also applies from the time when a copy of notice of intention to appoint an administrator under paragraph 14 is filed with the court until—
- (a) the appointment of the administrator takes effect, or
 - (b) the period of five business days beginning with the date of filing expires without an administrator having been appointed.
- (3) Sub-paragraph (2) has effect in relation to a notice of intention to appoint only if it is in the prescribed form.
- (4) This paragraph also applies from the time when a copy of notice of intention to appoint an administrator is filed with the court under paragraph 27(1) until—
- (a) the appointment of the administrator takes effect, or
 - (b) the period specified in paragraph 28(2) expires without an administrator having been appointed.
- (5) The provisions of paragraphs 42 and 43 shall apply (ignoring any reference to the consent of the administrator).
- (6) If there is an administrative receiver of the company when the administration application is made, the provisions of paragraphs 42 and 43 shall not begin to apply

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

by virtue of this paragraph until the person by or on behalf of whom the receiver was appointed consents to the making of the administration order.

- (7) This paragraph does not prevent or require the permission of the court for—
- (a) the presentation of a petition for the winding up of the company under a provision mentioned in paragraph 42(4),
 - (b) the appointment of an administrator under paragraph 14,
 - (c) the appointment of an administrative receiver of the company, or
 - (d) the carrying out by an administrative receiver (whenever appointed) of his functions.

Annotations:

Modifications etc. (not altering text)

- C891** Sch. B1 para. 44 restricted (5.10.2004) by Energy Act 2004 (c. 20), ss. 162(4), 163(4), 198; S.I. 2004/2575, art. 2(1), Sch. 1
- C892** Sch. B1 para. 44 restricted (1.10.2011) by Postal Services Act 2011 (c. 5), ss. 76(4), 85(8), 93(2)(3); S.I. 2011/2329, art. 3 (with arts. 4, 5)
- C893** Sch. B1 para. 44 restricted (1.10.2011) by Postal Services Act 2011 (c. 5), ss. 77(5), 85(8), 93(2)(3); S.I. 2011/2329, art. 3 (with arts. 4, 5)
- C894** Sch. B1 para. 44(1)(a) applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3
- C895** Sch. B1 para. 44(5) applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Publicity

- 45 (1) While a company is in administration, every business document issued by or on behalf of the company or the administrator, and all the company's websites, must state—
- (a) the name of the administrator, and
 - (b) that the affairs, business and property of the company are being managed by the administrator.
- (2) Any of the following persons commits an offence if without reasonable excuse the person authorises or permits a contravention of sub-paragraph (1)—
- (a) the administrator,
 - (b) an officer of the company, and
 - (c) the company.
- (3) In sub-paragraph (1) “business document” means—
- (a) an invoice,
 - (b) an order for goods or services,
 - (c) a business letter, and
 - (d) an order form,
- whether in hard copy, electronic or any other form.]

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Annotations:

Amendments (Textual)

F722 Sch. B1 para. 45 substituted (1.10.2008) by The Companies (Trading Disclosures) (Insolvency) Regulations 2008 (S.I. 2008/1897), reg. 4(1)

PROCESS OF ADMINISTRATION

Announcement of administrator's appointment

- 46 (1) This paragraph applies where a person becomes the administrator of a company.
- (2) As soon as is reasonably practicable the administrator shall—
- (a) send a notice of his appointment to the company, and
 - (b) publish a notice of his appointment in the prescribed manner.
- (3) As soon as is reasonably practicable the administrator shall—
- (a) obtain a list of the company's creditors, and
 - (b) send a notice of his appointment to each creditor of whose claim and address he is aware.
- (4) The administrator shall send a notice of his appointment to the registrar of companies before the end of the period of 7 days beginning with the date specified in sub-paragraph (6).
- (5) The administrator shall send a notice of his appointment to such persons as may be prescribed before the end of the prescribed period beginning with the date specified in sub-paragraph (6).
- (6) The date for the purpose of sub-paragraphs (4) and (5) is—
- (a) in the case of an administrator appointed by administration order, the date of the order,
 - (b) in the case of an administrator appointed under paragraph 14, the date on which he receives notice under paragraph 20, and
 - (c) in the case of an administrator appointed under paragraph 22, the date on which he receives notice under paragraph 32.
- (7) The court may direct that sub-paragraph (3)(b) or (5)—
- (a) shall not apply, or
 - (b) shall apply with the substitution of a different period.
- (8) A notice under this paragraph must—
- (a) contain the prescribed information, and
 - (b) be in the prescribed form.
- (9) An administrator commits an offence if he fails without reasonable excuse to comply with a requirement of this paragraph.

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Annotations:

Modifications etc. (not altering text)

C896 Sch. B1 para. 46 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Statement of company's affairs

- 47 (1) As soon as is reasonably practicable after appointment the administrator of a company shall by notice in the prescribed form require one or more relevant persons to provide the administrator with a statement of the affairs of the company.
- (2) The statement must—
- (a) be verified by a statement of truth in accordance with Civil Procedure Rules,
 - (b) be in the prescribed form,
 - (c) give particulars of the company's property, debts and liabilities,
 - (d) give the names and addresses of the company's creditors,
 - (e) specify the security held by each creditor,
 - (f) give the date on which each security was granted, and
 - (g) contain such other information as may be prescribed.
- (3) In sub-paragraph (1) "relevant person" means—
- (a) a person who is or has been an officer of the company,
 - (b) a person who took part in the formation of the company during the period of one year ending with the date on which the company enters administration,
 - (c) a person employed by the company during that period, and
 - (d) a person who is or has been during that period an officer or employee of a company which is or has been during that year an officer of the company.
- (4) For the purpose of sub-paragraph (3) a reference to employment is a reference to employment through a contract of employment or a contract for services.
- (5) In Scotland, a statement of affairs under sub-paragraph (1) must be a statutory declaration made in accordance with the Statutory Declarations Act 1835 (c. 62) (and sub-paragraph (2)(a) shall not apply).

Annotations:

Modifications etc. (not altering text)

C897 Sch. B1 para. 47 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

- 48 (1) A person required to submit a statement of affairs must do so before the end of the period of 11 days beginning with the day on which he receives notice of the requirement.
- (2) The administrator may—
- (a) revoke a requirement under paragraph 47(1), or
 - (b) extend the period specified in sub-paragraph (1) (whether before or after expiry).

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- (3) If the administrator refuses a request to act under sub-paragraph (2)—
- (a) the person whose request is refused may apply to the court, and
 - (b) the court may take action of a kind specified in sub-paragraph (2).
- (4) A person commits an offence if he fails without reasonable excuse to comply with a requirement under paragraph 47(1).

Annotations:

Modifications etc. (not altering text)

C898 Sch. B1 para. 48 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Administrator's proposals

- 49 (1) The administrator of a company shall make a statement setting out proposals for achieving the purpose of administration.
- (2) A statement under sub-paragraph (1) must, in particular—
- (a) deal with such matters as may be prescribed, and
 - (b) where applicable, explain why the administrator thinks that the objective mentioned in paragraph 3(1)(a) or (b) cannot be achieved.
- (3) Proposals under this paragraph may include—
- (a) a proposal for a voluntary arrangement under Part I of this Act (although this paragraph is without prejudice to section 4(3));
 - (b) a proposal for a compromise or arrangement to be sanctioned under ^{F723}Part 26 of the Companies Act 2006 (arrangements and reconstructions)].
- (4) The administrator shall send a copy of the statement of his proposals—
- (a) to the registrar of companies,
 - (b) to every creditor of the company of whose claim and address he is aware, and
 - (c) to every member of the company of whose address he is aware.
- (5) The administrator shall comply with sub-paragraph (4)—
- (a) as soon as is reasonably practicable after the company enters administration, and
 - (b) in any event, before the end of the period of eight weeks beginning with the day on which the company enters administration.
- (6) The administrator shall be taken to comply with sub-paragraph (4)(c) if he publishes in the prescribed manner a notice undertaking to provide a copy of the statement of proposals free of charge to any member of the company who applies in writing to a specified address.
- (7) An administrator commits an offence if he fails without reasonable excuse to comply with sub-paragraph (5).
- (8) A period specified in this paragraph may be varied in accordance with paragraph 107.

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Annotations:

Amendments (Textual)

F723 Words in Sch. B1 para. 49(3)(b) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 100(a)** (with arts. 6, 11, 12)

Modifications etc. (not altering text)

C899 Sch. B1 para. 49 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Creditors' meeting

- 50 (1) In this Schedule “creditors’ meeting” means a meeting of creditors of a company summoned by the administrator—
- (a) in the prescribed manner, and
 - (b) giving the prescribed period of notice to every creditor of the company of whose claim and address he is aware.
- (2) A period prescribed under sub-paragraph (1)(b) may be varied in accordance with paragraph 107.
- (3) A creditors’ meeting shall be conducted in accordance with the rules.

Annotations:

Modifications etc. (not altering text)

C900 Sch. B1 para. 50-58 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Requirement for initial creditors’ meeting

- 51 (1) Each copy of an administrator’s statement of proposals sent to a creditor under paragraph 49(4)(b) must be accompanied by an invitation to a creditors’ meeting (an “initial creditors’ meeting”).
- (2) The date set for an initial creditors’ meeting must be—
- (a) as soon as is reasonably practicable after the company enters administration, and
 - (b) in any event, within the period of ten weeks beginning with the date on which the company enters administration.
- (3) An administrator shall present a copy of his statement of proposals to an initial creditors’ meeting.
- (4) A period specified in this paragraph may be varied in accordance with paragraph 107.
- (5) An administrator commits an offence if he fails without reasonable excuse to comply with a requirement of this paragraph.

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Annotations:

Modifications etc. (not altering text)

C901 Sch. B1 para. 50-58 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247), S.I. 2009/296, arts. 2, 3, Sch. para. 3

- 52 (1) Paragraph 51(1) shall not apply where the statement of proposals states that the administrator thinks—
- (a) that the company has sufficient property to enable each creditor of the company to be paid in full,
 - (b) that the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of section 176A(2)(a), or
 - (c) that neither of the objectives specified in paragraph 3(1)(a) and (b) can be achieved.
- (2) But the administrator shall summon an initial creditors' meeting if it is requested—
- (a) by creditors of the company whose debts amount to at least 10% of the total debts of the company,
 - (b) in the prescribed manner, and
 - (c) in the prescribed period.
- (3) A meeting requested under sub-paragraph (2) must be summoned for a date in the prescribed period.
- (4) The period prescribed under sub-paragraph (3) may be varied in accordance with paragraph 107.

Annotations:

Modifications etc. (not altering text)

C902 Sch. B1 para. 50-58 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Business and result of initial creditors' meeting

- 53 (1) An initial creditors' meeting to which an administrator's proposals are presented shall consider them and may—
- (a) approve them without modification, or
 - (b) approve them with modification to which the administrator consents.
- (2) After the conclusion of an initial creditors' meeting the administrator shall as soon as is reasonably practicable report any decision taken to—
- (a) the court,
 - (b) the registrar of companies, and
 - (c) such other persons as may be prescribed.
- (3) An administrator commits an offence if he fails without reasonable excuse to comply with sub-paragraph (2).

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Annotations:

Modifications etc. (not altering text)

C903 Sch. B1 para. 50-58 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Revision of administrator's proposals

- 54 (1) This paragraph applies where—
- (a) an administrator's proposals have been approved (with or without modification) at an initial creditors' meeting,
 - (b) the administrator proposes a revision to the proposals, and
 - (c) the administrator thinks that the proposed revision is substantial.
- (2) The administrator shall—
- (a) summon a creditors' meeting,
 - (b) send a statement in the prescribed form of the proposed revision with the notice of the meeting sent to each creditor,
 - (c) send a copy of the statement, within the prescribed period, to each member of the company of whose address he is aware, and
 - (d) present a copy of the statement to the meeting.
- (3) The administrator shall be taken to have complied with sub-paragraph (2)(c) if he publishes a notice undertaking to provide a copy of the statement free of charge to any member of the company who applies in writing to a specified address.
- (4) A notice under sub-paragraph (3) must be published—
- (a) in the prescribed manner, and
 - (b) within the prescribed period.
- (5) A creditors' meeting to which a proposed revision is presented shall consider it and may—
- (a) approve it without modification, or
 - (b) approve it with modification to which the administrator consents.
- (6) After the conclusion of a creditors' meeting the administrator shall as soon as is reasonably practicable report any decision taken to—
- (a) the court,
 - (b) the registrar of companies, and
 - (c) such other persons as may be prescribed.
- (7) An administrator commits an offence if he fails without reasonable excuse to comply with sub-paragraph (6).

Annotations:

Modifications etc. (not altering text)

C904 Sch. B1 para. 50-58 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Failure to obtain approval of administrator's proposals

- 55 (1) This paragraph applies where an administrator reports to the court that—
- (a) an initial creditors' meeting has failed to approve the administrator's proposals presented to it, or
 - (b) a creditors' meeting has failed to approve a revision of the administrator's proposals presented to it.
- (2) The court may—
- (a) provide that the appointment of an administrator shall cease to have effect from a specified time;
 - (b) adjourn the hearing conditionally or unconditionally;
 - (c) make an interim order;
 - (d) make an order on a petition for winding up suspended by virtue of paragraph 40(1)(b);
 - (e) make any other order (including an order making consequential provision) that the court thinks appropriate.

Annotations:

Modifications etc. (not altering text)

C905 Sch. B1 para 50-58 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Further creditors' meetings

- 56 (1) The administrator of a company shall summon a creditors' meeting if—
- (a) it is requested in the prescribed manner by creditors of the company whose debts amount to at least 10% of the total debts of the company, or
 - (b) he is directed by the court to summon a creditors' meeting.
- (2) An administrator commits an offence if he fails without reasonable excuse to summon a creditors' meeting as required by this paragraph.

Annotations:

Modifications etc. (not altering text)

C906 Sch. B1 para 50-58 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Creditors' committee

- 57 (1) A creditors' meeting may establish a creditors' committee.
- (2) A creditors' committee shall carry out functions conferred on it by or under this Act.
- (3) A creditors' committee may require the administrator—
- (a) to attend on the committee at any reasonable time of which he is given at least seven days' notice, and
 - (b) to provide the committee with information about the exercise of his functions.

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Annotations:**Modifications etc. (not altering text)**

C907 Sch. B1 para. 50-58 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Correspondence instead of creditors' meeting

- 58 (1) Anything which is required or permitted by or under this Schedule to be done at a creditors' meeting may be done by correspondence between the administrator and creditors—
- (a) in accordance with the rules, and
 - (b) subject to any prescribed condition.
- (2) A reference in this Schedule to anything done at a creditors' meeting includes a reference to anything done in the course of correspondence in reliance on sub-paragraph (1).
- (3) A requirement to hold a creditors' meeting is satisfied by conducting correspondence in accordance with this paragraph.

Annotations:**Modifications etc. (not altering text)**

C908 Sch. B1 para. 50-58 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

FUNCTIONS OF ADMINISTRATOR

General powers

- 59 (1) The administrator of a company may do anything necessary or expedient for the management of the affairs, business and property of the company.
- (2) A provision of this Schedule which expressly permits the administrator to do a specified thing is without prejudice to the generality of sub-paragraph (1).
- (3) A person who deals with the administrator of a company in good faith and for value need not inquire whether the administrator is acting within his powers.

Annotations:**Modifications etc. (not altering text)**

C909 Sch. B1 para. 59 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

- 60 The administrator of a company has the powers specified in Schedule 1 to this Act.

*Status: This version of this Act contains provisions that are prospective.
 Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)*

Annotations:

Modifications etc. (not altering text)

C910 Sch. B1 para. 60 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

- 61 The administrator of a company—
- (a) may remove a director of the company, and
 - (b) may appoint a director of the company (whether or not to fill a vacancy).

Annotations:

Modifications etc. (not altering text)

C911 Sch. B1 para. 61 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

- 62 The administrator of a company may call a meeting of members or creditors of the company.

Annotations:

Modifications etc. (not altering text)

C912 Sch. B1 para. 62 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

- 63 The administrator of a company may apply to the court for directions in connection with his functions.

Annotations:

Modifications etc. (not altering text)

C913 Sch. B1 para. 63 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

- 64 (1) A company in administration or an officer of a company in administration may not exercise a management power without the consent of the administrator.
- (2) For the purpose of sub-paragraph (1)—
- (a) “management power” means a power which could be exercised so as to interfere with the exercise of the administrator’s powers,
 - (b) it is immaterial whether the power is conferred by an enactment or an instrument, and
 - (c) consent may be general or specific.

Annotations:

Modifications etc. (not altering text)

C914 Sch. B1 para. 64 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

Distribution

- 65 (1) The administrator of a company may make a distribution to a creditor of the company.
- (2) Section 175 shall apply in relation to a distribution under this paragraph as it applies in relation to a winding up.
- (3) A payment may not be made by way of distribution under this paragraph to a creditor of the company who is neither secured nor preferential unless the court gives permission.

Annotations:

Modifications etc. (not altering text)

- C915** Sch. B1 para. 65 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3
- C916** Sch. B1 para. 65(1) restricted (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), reg. 46, Sch. para. 2(5)
- C917** Sch. B1 para. 65(2) applied by The Financial Market and Insolvency (Settlement Finality) Regulations 1999 (S.I. 1999/2979), reg. 14(5)(a)(i) (as substituted (1.10.2009) by The Financial Markets and Insolvency (Settlement Finality) (Amendment) Regulations 2009 (S.I. 2009/1972), reg. 4(d)(ii))

- 66 The administrator of a company may make a payment otherwise than in accordance with paragraph 65 or paragraph 13 of Schedule 1 if he thinks it likely to assist achievement of the purpose of administration.

Annotations:

Modifications etc. (not altering text)

- C918** Sch. B1 para. 66 restricted (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), reg. 46, Sch. para. 2(5)
- C919** Sch. B1 para. 66 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

General duties

- 67 The administrator of a company shall on his appointment take custody or control of all the property to which he thinks the company is entitled.

Annotations:

Modifications etc. (not altering text)

- C920** Sch. B1 para. 67 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

- 68 (1) Subject to sub-paragraph (2), the administrator of a company shall manage its affairs, business and property in accordance with—
- (a) any proposals approved under paragraph 53,
 - (b) any revision of those proposals which is made by him and which he does not consider substantial, and
 - (c) any revision of those proposals approved under paragraph 54.

*Status: This version of this Act contains provisions that are prospective.
 Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)*

- (2) If the court gives directions to the administrator of a company in connection with any aspect of his management of the company's affairs, business or property, the administrator shall comply with the directions.
- (3) The court may give directions under sub-paragraph (2) only if—
- (a) no proposals have been approved under paragraph 53,
 - (b) the directions are consistent with any proposals or revision approved under paragraph 53 or 54,
 - (c) the court thinks the directions are required in order to reflect a change in circumstances since the approval of proposals or a revision under paragraph 53 or 54, or
 - (d) the court thinks the directions are desirable because of a misunderstanding about proposals or a revision approved under paragraph 53 or 54.

Annotations:

Modifications etc. (not altering text)

C921 Sch. B1 para. 68 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Administrator as agent of company

- 69 In exercising his functions under this Schedule the administrator of a company acts as its agent.

Annotations:

Modifications etc. (not altering text)

C922 Sch. B1 para. 69 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Charged property: floating charge

- 70 (1) The administrator of a company may dispose of or take action relating to property which is subject to a floating charge as if it were not subject to the charge.
- (2) Where property is disposed of in reliance on sub-paragraph (1) the holder of the floating charge shall have the same priority in respect of acquired property as he had in respect of the property disposed of.
- (3) In sub-paragraph (2) “acquired property” means property of the company which directly or indirectly represents the property disposed of.

Annotations:

Modifications etc. (not altering text)

C923 Sch. B1 para. 70 excluded (26.12.2003) by The Financial Collateral Arrangements (No.2) Regulations 2003 (S.I. 2003/3226), reg. 8(1)(b)

C924 Sch. B1 para. 70 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- (3) On delivery of the notice to the registrar of companies, any floating charge granted by the company shall, unless it has already so attached, attach to the property which is subject to the charge and that attachment shall have effect as if each floating charge is a fixed security over the property to which it has attached.

Annotations:

Modifications etc. (not altering text)

C958 Sch. B1 paras. 112-116 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

- 116 In Scotland, the administrator in making any payment in accordance with paragraph 115 shall make such payment subject to the rights of any of the following categories of persons (which rights shall, except to the extent provided in any instrument, have the following order of priority)—
- (a) the holder of any fixed security which is over property subject to the floating charge and which ranks prior to, or *pari passu* with, the floating charge,
 - (b) creditors in respect of all liabilities and expenses incurred by or on behalf of the administrator,
 - (c) the administrator in respect of his liabilities, expenses and remuneration and any indemnity to which he is entitled out of the property of the company,
 - (d) the preferential creditors entitled to payment in accordance with paragraph 65,
 - (e) the holder of the floating charge in accordance with the priority of that charge in relation to any other floating charge which has attached, and
 - (f) the holder of a fixed security, other than one referred to in paragraph (a), which is over property subject to the floating charge.]

Annotations:

Modifications etc. (not altering text)

C959 Sch. B1 paras. 112-116 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

SCHEDULE 1

Sections 14, 42.

POWERS OF ADMINISTRATOR OR ADMINISTRATIVE RECEIVER

Annotations:

Modifications etc. (not altering text)

C960 Sch. 1 modified (15.7.2003) by 1999 c. 29, ss. 220(3), 425, Sch. 14 paras. 11, 19 (with Sch. 12 para. 9(1)); S.I. 2003/1920, art. 2(b)

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

C961 Sch. 1 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by Banking Act 2009 (c. 1), ss. 145, 263(1)(2) (with s. 247); S.I. 2009/296, arts. 2, 3, Sch. para. 3

- 1 Power to take possession of, collect and get in the property of the company and, for that purpose, to take such proceedings as may seem to him expedient.
- 2 Power to sell or otherwise dispose of the property of the company by public auction or private contract or, in Scotland, to sell, [^{F738} feu,] hire out or otherwise dispose of the property of the company by public roup or private bargain.

Annotations:

Amendments (Textual)

F738 Word in Sch. 1 para. 2 repealed (S.) (28.11.2004) by 2000 asp 5, ss. 71, 76(2), 77(2), Sch. 13 Pt. 1 (with ss. 58, 62, 75); S.S.I. 2003/456, art. 2

- 3 Power to raise or borrow money and grant security therefor over the property of the company.
- 4 Power to appoint a solicitor or accountant or other professionally qualified person to assist him in the performance of his functions.
- 5 Power to bring or defend any action or other legal proceedings in the name and on behalf of the company.
- 6 Power to refer to arbitration any question affecting the company.
- 7 Power to effect and maintain insurances in respect of the business and property of the company.
- 8 Power to use the company's seal.
- 9 Power to do all acts and to execute in the name and on behalf of the company any deed, receipt or other document.
- 10 Power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the company.
- 11 Power to appoint any agent to do any business which he is unable to do himself or which can more conveniently be done by an agent and power to employ and dismiss employees.
- 12 Power to do all such things (including the carrying out of works) as may be necessary for the realisation of the property of the company.
- 13 Power to make any payment which is necessary or incidental to the performance of his functions.
- 14 Power to carry on the business of the company.
- 15 Power to establish subsidiaries of the company.
- 16 Power to transfer to subsidiaries of the company the whole or any part of the business and property of the company.
- 17 Power to grant or accept a surrender of a lease or tenancy of any of the property of the company, and to take a lease or tenancy of any property required or convenient for the business of the company.
- 18 Power to make any arrangement or compromise on behalf of the company.

470

Insolvency Act 1986 (c. 45)
SCHEDULE 2 – Powers of a Scottish Receiver (Additional to Those Conferred on him by the Instrument of Charge)
Document Generated: 2015-07-08

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Insolvency Act 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

- 19 Power to call up any uncalled capital of the company.
- 20 Power to rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person indebted to the company and to receive dividends, and to accede to trust deeds for the creditors of any such person.
- 21 Power to present or defend a petition for the winding up of the company.
- 22 Power to change the situation of the company's registered office.
- 23 Power to do all other things incidental to the exercise of the foregoing powers.

SCHEDULE 2

Section 55

POWERS OF A SCOTTISH RECEIVER (ADDITIONAL TO THOSE
 CONFERRED ON HIM BY THE INSTRUMENT OF CHARGE)

Annotations:**Modifications etc. (not altering text)**

C962 Sch. 2 applied (with modifications) (S.) (6.4.2001) by S.S.I. 2001/128, reg. 4(1), Sch. 2

C963 Sch. 10 modified (S.) (6.4.2001) by S.S.I. 2001/128, reg. 4(2), Sch. 3

- 1 Power to take possession of, collect and get in the property from the company or a liquidator thereof or any other person, and for that purpose, to take such proceedings as may seem to him expedient.
- 2 Power to sell, [^{F739}feu,] hire out or otherwise dispose of the property by public roup or private bargain and with or without advertisement.

Annotations:**Amendments (Textual)**

F739 Word in Sch. 2 para. 2 repealed (S.) (28.11.2004) by 2000 asp 5, ss. 71, 76(2), 77(2), Sch. 13 Pt. 1 (with ss. 58, 62, 75); S.S.I. 2003/456, art. 2

- 3 Power to raise or borrow money and grant security therefor over the property.
- 4 Power to appoint a solicitor or accountant or other professionally qualified person to assist him in the performance of his functions.
- 5 Power to bring or defend any action or other legal proceedings in the name and on behalf of the company.
- 6 Power to refer to arbitration all questions affecting the company.
- 7 Power to effect and maintain insurances in respect of the business and property of the company.
- 8 Power to use the company's seal.
- 9 Power to do all acts and to execute in the name and on behalf of the company any deed, receipt or other document.
- 10 Power to to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the company.

TAB D

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C, 1985, c. B-3,
AS AMENDED**

**AND IN THE MATTER OF A PROCEEDING IN THE UNITED KINGDOM OF TULLIS
RUSSELL PAPERMAKERS LIMITED (IN ADMINISTRATION)**

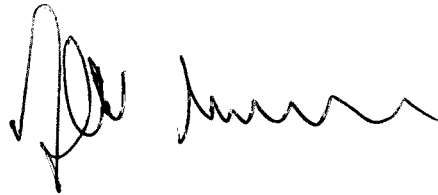
**APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR
OF KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND INSOLVENCY
ACT, R.S.C., 1985, c. B-3, AS AMENDED.**

STATEMENT OF THE JOINT ADMINISTRATOR

I, Blair Carnegie Nimmo, as Joint Administrator of Tullis Russell Papermakers Limited (In Administration) ("TRP") in the United Kingdom, state that:

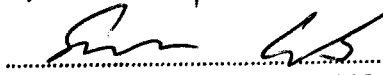
1. On April 27, 2015, Mr. Gerard Anthony Nimmo and I of KPMG LLP were appointed Joint Administrators of TRP.
2. The only foreign proceedings (as such term is defined under s. 268 of the *Bankruptcy and Insolvency Act*, R.S.C., c. B-3, as amended) that are known to me are the administration proceedings of TRP described above.
3. I am not aware of any other foreign proceedings in respect of TRP.

Dated this 13 of July, 2015.



BLAIR CARNEGIE NIMMO

This is Exhibit "D" referred to in the
affidavit of Blair Carnegie Nimmo
sworn before me, this 13th
day of July, 2015.



A COMMISSIONER FOR TAKING AFFIDAVITS

**SIMON LAMB, SOLICITOR,
c/o CMS CAMERON MCKENNA LLP
191 WEST GEORGE STREET,
GLASGOW G2 2LD,
SCOTLAND, UK**

**APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR OF
KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C., 1985, c. B-3, AS AMENDED.**

Court File No:

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF
BLAIR CARNEGIE NIMMO**

McCarthy Tétrault LLP
Suite 5300, P.O. Box 48
Toronto Dominion Bank Tower
Toronto ON M5K 1E6

James D. Gage LSUC#: 346761
Tel: 416-601-7539
Fax: 416-868-0673

Kelly Peters LSUC#: 59914W
Tel: (416) 601-3711
Email: kpeters@mccarthy.ca

Lawyers for the Applicants

#1469186

TAB 3

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE) TUESDAY, THE 14th
))
JUSTICE) DAY OF JULY, 2015

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C, 1985, c. B-3,
AS AMENDED**

**AND IN THE MATTER OF A PROCEEDING IN THE UNITED KINGDOM OF TULLIS
RUSSELL PAPERMAKERS LIMITED (IN ADMINISTRATION)**

**APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR
OF KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND INSOLVENCY
ACT, R.S.C., 1985, c. B-3, AS AMENDED.**

**INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Blair Carnegie Nimmo and Gerard Anthony Friar of KPMG LLP in their respective capacity as the foreign representatives (the "**Foreign Representatives**") of Tullis Russell Papermakers Limited (In Administration) (the "**Debtor**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Mr. Blair Carnegie Nimmo sworn July 13th, 2015, filed, and upon being provided with copies of the documents required by s. 269 of the BIA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, and upon being advised that no other persons were served with the Notice of Application:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. THIS COURT ORDERS AND DECLARES that the Foreign Representatives are each a "foreign representative" (as defined in section s. 268 of the BIA) of the Debtor in respect of the administration proceeding of the Debtor in the United Kingdom pursuant to *The Insolvency Act 1986* (c. 45) (the "**Foreign Proceeding**").

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. THIS COURT DECLARES that the centre of its main interests for the Debtor is the United Kingdom, and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding" as defined in section 268 of the BIA.

STAY OF PROCEEDINGS

4. THIS COURT ORDERS that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against the Debtor under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
- (b) further proceedings in any action, suit or proceeding against the Debtor are restrained; and
- (c) the commencement of any action, suit or proceeding against the Debtor is prohibited.

NO SALE OF PROPERTY

5. THIS COURT ORDERS that, except with leave of this Court, the Debtor is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

GENERAL

6. THIS COURT ORDERS that without delay the Foreign Representatives shall cause to be published a notice substantially in the form attached to this Order as Schedule “A”, once a week for two consecutive weeks, in the National Post.

7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the Debtor and the Foreign Representatives and their respective counsel and agents in carrying out the terms of this Order.

8. THIS COURT ORDERS AND DECLARES that this Order shall be effective as of the date of this Order.

9. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Debtor and the Foreign Representatives and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

SCHEDULE "A"

Tullis Russell Papermakers Limited

PLEASE TAKE NOTICE that on July 14th, 2015, the Ontario Superior Court of Justice (Commercial List) issued orders (the "**Recognition Orders**") recognizing the administration proceeding in respect of Tullis Russell Papermakers Limited (the "**Foreign Debtor**") in the United Kingdom for protection under *The Insolvency Act 1986* (c. 45) as a foreign main proceeding pursuant to section 269 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended.

Pursuant to a notice of appointment by its directors, Blair Carnegie Nimmo and Gerard Anthony Friar of KPMG LLP (the "**Foreign Representatives**") were appointed as Joint Administrators of the affairs, business and property of the Foreign Debtor. Pursuant to the supplemental recognition order, KPMG Inc. was appointed as Information Officer in Canada.

A copy of the Canadian court materials in relation to this matter may be viewed online at: www.kpmg.com/ca/tullisrussellpapermakers

For additional information you may contact the Information Officer by e-mailing Mike Schwartzenruber at mikes@kpmg.ca or by fax at 416-777-3364 or the Foreign Representatives at: calum.pickett@kpmg.co.uk or by fax at +44 131 527 6666 (Attention: Calum Pickett); the Foreign Representatives' Canadian Counsel by email jgage@mccarthy.ca or by fax at 416-868-0673 (Attention: James Gage).

Dated at the City of Toronto, this _ day of July, 2015.

TAB 4

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(~~COMMERCIAL LIST~~ BANKRUPTCY AND INSOLVENCY)

~~THE HONOURABLE~~ _____) ~~WEEKDAY, THE #~~
) ~~DAY OF MONTH, 20YR~~
) ~~JUSTICE~~ _____)

THE HONOURABLE _____) TUESDAY, THE 14th
) DAY OF JULY, 2015
) JUSTICE _____)

**IN THE MATTER OF THE ~~COMPANIES' CREDITORS ARRANGEMENT ACT,~~
R.S.C. BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, c. C-36, B-3, AS AMENDED**
**AND IN THE MATTER OF ~~THE [LIST DEBTOR NAMES]~~ (the "Debtors") A PROCEEDING
IN THE UNITED KINGDOM OF TULLIS RUSSELL PAPERMAKERS LIMITED (IN
ADMINISTRATION)**

**APPLICATION OF ~~[NAME OF FOREIGN REPRESENTATIVE]~~
BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR OF KPMG LLP
**UNDER SECTION ~~46 OF THE~~
~~COMPANIES' CREDITORS ARRANGEMENT ACT~~ 269 OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, c. B-3, AS AMENDED.****

INITIAL RECOGNITION ORDER
(FOREIGN MAIN[†] PROCEEDING)

[†] Under section 47 the Canadian Court must be satisfied that the application for the recognition of a foreign proceeding relates to a foreign proceeding and that the applicant is a foreign representative in respect of that foreign proceeding, and then determine if the foreign proceeding is a foreign "main" or a foreign "non-main" proceeding. If the Canadian Court recognizes a foreign proceeding as a "main" proceeding, then section 48 of the CCAA provides that the Court must grant certain relief, subject to any terms and conditions it considers appropriate. The provisions of this model Order are minimal, and based on the mandatory relief set out in section 48 of the CCAA with respect to a foreign main proceeding. As noted below, supplemental and other relief is set out in the model Supplemental Order (Foreign Main Proceeding).

THIS APPLICATION,² made by ~~[NAME OF FOREIGN REPRESENTATIVE]~~ Blair Carnegie Nimmo and Gerard Anthony Friar of KPMG LLP in their respective capacity as the foreign ~~representative (the "Foreign Representative")~~ representatives (the "Foreign Representatives") of Tullis Russell Papermakers Limited (In Administration) (the "Debtor") pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. ~~CB-36,3~~, as amended (the "CCAABIA") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of ~~[NAME]~~ Mr. Blair Carnegie Nimmo sworn ~~[DATE], [the preliminary report of [NAME], in its capacity as proposed information officer (the "Proposed Information Officer") dated [DATE], each~~ July 13th, 2015, filed, and upon being provided with copies of the documents required by s. ~~46, 269~~ of the CCAABIA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) ~~[will be/is being]~~ sought,³

AND UPON HEARING the submissions of counsel for the Foreign Representative, ~~[counsel for the Proposed Information Officer,] counsel for [OTHER PARTIES]~~, and upon being advised that no other persons were served with the Notice of Application:⁴

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated⁵ so that this Application is properly returnable today and hereby dispenses with further service thereof.

² Part IV of the CCAA governs cross-border insolvencies.

³ In addition to the mandatory relief contained in this Order pursuant to section 48 of the CCAA, certain discretionary relief may be granted by the Court pursuant to section 49 of the CCAA. Examples of such discretionary relief are contained in a model Supplemental Order (Foreign Main Proceeding), also available on the Commercial List website.

⁴ Revise to be consistent with the service recital in the Supplemental Order, if it is being sought concurrently.

⁵ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in the appropriate circumstances.

FOREIGN REPRESENTATIVE

2. THIS COURT ORDERS AND DECLARES that the Foreign ~~Representative is~~ ~~the~~Representatives are each a "foreign representative" (as defined in section ~~45s. 268~~ of the ~~CCAABIA~~) of the ~~Debtors~~Debtor in respect of ~~[DESCRIBE FOREIGN PROCEEDING]~~the administration proceeding of the Debtor in the United Kingdom pursuant to *The Insolvency Act 1986 (c. 45)* (the "**Foreign Proceeding**").

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. THIS COURT DECLARES that the centre of its main interests for ~~each of~~ the ~~Debtors~~ Debtor is ~~[FILING JURISDICTION FOR FOREIGN PROCEEDING]~~ the United Kingdom,⁶ and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding"⁷ as defined in section ~~45~~268 of the ~~CCA~~ABIA.

STAY OF PROCEEDINGS⁸

4. THIS COURT ORDERS that until otherwise ordered by this Court:
- (a) all proceedings taken or that might be taken against ~~any~~the Debtor under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
 - (b) further proceedings in any action, suit or proceeding against ~~any~~the Debtor are restrained; and
 - (c) the commencement of any action, suit or proceeding against ~~any~~the Debtor is prohibited.

NO SALE OF PROPERTY⁹

5. THIS COURT ORDERS that, except with leave of this Court, ~~each of~~ the ~~Debtors~~ Debtor is prohibited from selling or otherwise disposing of:
- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
 - (b) any of its other property in Canada.

⁶ ~~A "foreign main proceeding" as defined in section 45 of the CCAA is "a foreign proceeding in a jurisdiction where the debtor company has the centre of its main interests". Accordingly, the Court must make this determination in concluding that the proceeding being recognized is a foreign main proceeding. This determination should be made for each individual Debtor.~~

⁷ ~~A separate model order is being developed with respect to foreign non-main proceedings.~~

⁸ ~~The provisions of this paragraph 4 are based on section 48 of the CCAA. More comprehensive stay provisions are found in the model Supplemental Order (Foreign Main Proceeding).~~

⁹ ~~Based on section 48(d) of the CCAA.~~

GENERAL

6. THIS COURT ORDERS that ~~[without delay]~~~~[within [NUMBER] days from the date of this Order, or as soon as practicable thereafter]~~¹⁰; the Foreign ~~Representative~~Representatives shall cause to be published a notice substantially in the form attached to this Order as Schedule ~~[*]"A"~~¹¹, once a week for two consecutive weeks, in ~~[NAME OF NEWSPAPER(S)]~~the National Post.¹²

7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the ~~Debtors~~Debtor and the Foreign ~~Representative~~Representatives and their respective counsel and agents in carrying out the terms of this Order.

8. THIS COURT ORDERS AND DECLARES that ~~[the Interim Initial Order made on [DATE] shall be of no further force and effect once this Order becomes effective, and that]~~ this Order shall be effective as of ~~[TIME]~~¹³ on the date of this Order~~[, provided that nothing herein shall invalidate any action taken in compliance with such Interim Initial Order prior to the effective time of this Order.]~~¹⁴.

9. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the ~~Debtors~~Debtor and the Foreign ~~Representative~~Representatives and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

¹⁰ Section 53 of the CCAA requires publication "without delay after the order is made". The alternative language, above, may provide more certainty as to when that publication must take place.

¹¹ The notice must contain information prescribed under the CCAA (section 53(b)).

¹² Section 53(b) of the CCAA requires that the Foreign Representative publish, unless otherwise directed by the Court, notice of the Recognition Order once a week for two consecutive weeks, in one or more newspapers in Canada specified by the Court. In addition, the Foreign Representative has ongoing reporting obligations pursuant to section 53(a) of the CCAA.

¹³ This time should be after the effective time that the Foreign Representative was appointed in the Foreign Proceeding.

¹⁴ If an Interim Initial Order was not made, references to an Interim Initial Order should be removed from this paragraph.

~~{ATTACH APPROPRIATE SCHEDULE(S)}~~

SCHEDULE "A"

Tullis Russell Papermakers Limited

PLEASE TAKE NOTICE that on July 14th, 2015, the Ontario Superior Court of Justice (Commercial List) issued orders (the "Recognition Orders") recognizing the administration proceeding in respect of Tullis Russell Papermakers Limited (the "Foreign Debtor") in the United Kingdom for protection under *The Insolvency Act 1986* (c. 45) as a foreign main proceeding pursuant to section 269 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended.

Pursuant to a notice of appointment by its directors, Blair Carnegie Nimmo and Gerard Anthony Eriar of KPMG LLP (the "Foreign Representatives") were appointed as Joint Administrators of the affairs, business and property of the Foreign Debtor. Pursuant to the supplemental recognition order, KPMG Inc. was appointed as Information Officer in Canada.

A copy of the Canadian court materials in relation to this matter may be viewed online at: www.kpmg.com/ca/tullisrussellpapermakers

For additional information you may contact the Information Officer by e-mailing Mike Schwartzenruber at mikes@kpmg.ca or by fax at 416-777-3364 or the Foreign Representatives at: calum.pickett@kpmg.co.uk or by fax at +44 131 527 6666 (Attention: Calum Pickett); the Foreign Representatives' Canadian Counsel by email jgage@mccarthy.ca or by fax at 416-868-0673 (Attention: James Gage).

Dated at the City of Toronto, this __ day of July, 2015.

TAB 5

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	TUESDAY, THE 14 th
)	
JUSTICE)	DAY OF JULY, 2015

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C, 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF A PROCEEDING IN THE UNITED KINGDOM OF TULLIS RUSSELL PAPERMAKERS LIMITED (IN ADMINISTRATION)

APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR OF KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, c. B-3, AS AMENDED.

SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by Blair Carnegie Nimmo and Gerard Anthony Friar of KPMG LLP in their respective capacity as the foreign representatives (the "**Foreign Representatives**") of Tullis Russell Papermakers Limited (In Administration) (the "**Debtor**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Mr. Blair Carnegie Nimmo sworn July 13, 2015, and on hearing the submissions of counsel for the Foreign Representatives, and on reading the consent of KPMG Inc. ("**KPMG**") to act as the information officer:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

INITIAL RECOGNITION ORDER

2. THIS COURT ORDERS that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated July 14, 2015 (the "**Recognition Order**").

3. THIS COURT ORDERS that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Supplemental Order shall govern.

APPOINTMENT OF INFORMATION OFFICER

4. THIS COURT ORDERS that KPMG Inc. (the "**Information Officer**") is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

5. THIS COURT ORDERS that until such date as this Court may order (the "**Stay Period**") no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtor or affecting its business (the "**Business**") or its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtor or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

6. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Debtor or the Foreign Representatives, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Foreign Representatives or leave of this Court, provided that nothing in this Order shall (i) empower the Debtor to carry on any business in Canada which that Debtor is not lawfully entitled to carry on, (ii) exempt the Foreign Representatives or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

7. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor and affecting the Business in Canada, except with leave of this Court or the written consent of the Foreign Representatives.

ADDITIONAL PROTECTIONS

8. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Debtor, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtor, and that the Debtor shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

9. THIS COURT ORDERS that during the Stay Period, except with leave of this Court, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtor with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtor whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

10. THIS COURT ORDERS that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the *Companies' Creditors Arrangement Act* (Canada), and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

11. THIS COURT ORDERS that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representatives in the performance of its duties as the Foreign Representatives may reasonably request;
- (b) shall report to this Court at least once every four months with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;

- (d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtor, to the extent that is necessary to perform its duties arising under this Order; and
- (e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

12. THIS COURT ORDERS that the Debtor and the Foreign Representatives shall (i) advise the Information Officer of all material steps taken by the Debtor or the Foreign Representatives in these proceedings or in the Foreign Proceedings, (ii) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

13. THIS COURT ORDERS that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

14. THIS COURT ORDERS that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

15. THIS COURT ORDERS that the Information Officer may provide any creditor of the Debtor with information provided by the Debtor in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Debtor is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed

by this Court or on such terms as the Information Officer, the Foreign Representatives and the Debtor may agree.

16. THIS COURT ORDERS that the Information Officer and counsel to the Information Officer shall be paid by the Debtor their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Debtor is hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer on a time interval basis and, in addition, the Debtor is hereby authorized to pay to the Information Officer, a retainer in the \$25,000.00 to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

17. THIS COURT ORDERS that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

SERVICE AND NOTICE

18. THIS COURT ORDERS that that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol.

19. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtor, the Foreign Representatives and

the Information Officer are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties domiciled in Canada at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

20. THIS COURT ORDERS that the Information Officer or the Foreign Representatives may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

21. THIS COURT ORDERS that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of the Debtor, the Business or the Property.

22. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United Kingdom, to give effect to this Order and to assist the Debtor, the Foreign Representatives, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor, the Foreign Representatives, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Debtor, the Foreign Representatives, and the Information Officer and their respective agents in carrying out the terms of this Order.

23. THIS COURT ORDERS that the Debtor, the Foreign Representatives and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

24. THIS COURT ORDERS that the Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute is adopted by this Court for the purposes of these recognition proceedings.

25. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Debtor, the Foreign Representatives, the Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

26. THIS COURT ORDERS that this Order shall be effective as of the date of this Order.

TAB 6

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) ~~WEEKDAY~~TUESDAY, THE # 14th
)
JUSTICE) DAY OF ~~MONTH~~JULY, ~~20YR~~2015

IN THE MATTER OF THE ~~COMPANIES' CREDITORS~~
~~ARRANGEMENT~~BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, c. ~~C-36~~B-3, AS
AMENDED

AND IN THE MATTER OF ~~THE [LIST DEBTOR NAMES]~~(the "~~Debtors~~" A
PROCEEDING IN THE UNITED KINGDOM OF TULLIS RUSSELL
PAPERMAKERS LIMITED (IN ADMINISTRATION))

APPLICATION OF ~~[NAME OF FOREIGN REPRESENTATIVE]~~
BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR OF KPMG LLP
UNDER SECTION ~~46 OF THE~~
~~COMPANIES' CREDITORS ARRANGEMENT ACT~~269 OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, c. B-3, AS AMENDED.

SUPPLEMENTAL ORDER¹
(FOREIGN MAIN² PROCEEDING)

THIS APPLICATION, made by ~~[NAME OF FOREIGN REPRESENTATIVE]~~ in
its Blair Carnegie Nimmo and Gerard Anthony Friar of KPMG LLP in their respective

¹ As noted in several footnotes in this model order, practice under Part IV of the CCAA is still developing, and as certain issues are determined by Canadian courts, this model order will be amended to reflect the development of the law in this area.

² If the Canadian Court has recognized a foreign proceeding as a "main" proceeding, then section 48 of the CCAA provides that the Court must grant certain relief, subject to any terms and conditions it considers appropriate. The provisions of the model Initial Recognition Order (Foreign Main Proceeding) fulfill the mandatory requirements of section 48 with respect to a foreign main proceeding. Section 49 of the CCAA also allows the Court to make any order that it considers appropriate for the protection of the debtor company's property or the interests of a creditor or creditors. This Supplemental Order contains discretionary relief that might be granted by the Court in the appropriate circumstances. The Model Order Subcommittee has attempted to make the provisions of this model Order consistent with similar provisions in other model Orders. Supplemental relief (whether contained in this Order or in subsequent Orders) may also include provisions dealing with the sale of assets, the recognition of critical vendors, a claims process, or any number of other matters, or may recognize foreign orders or laws granting such relief.

capacity as the foreign ~~representative (the "Foreign Representative") of the Debtors, pursuant to the Companies' Creditors Arrangement~~ representatives (the "Foreign Representatives") of Tullis Russell Papermakers Limited (In Administration) (the "Debtor") pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. CB-36,3, as amended (the "CCA/BIA") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of ~~[NAME] sworn [DATE], [the preliminary report of [NAME], in its capacity as proposed information officer dated [DATE]], and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice,~~ Mr. Blair Carnegie Nimmo sworn July 13, 2015, and on hearing the submissions of counsel for the Foreign ~~Representative, [counsel for the proposed information officer,] counsel for [OTHER PARTIES], no one appearing for [NAME]~~³ ~~although duly served as appears from the affidavit of service of [NAME] sworn [DATE]~~ Representatives, and on reading the consent of ~~[NAME OF PROPOSED INFORMATION OFFICER]~~ KPMG Inc. ("KPMG") to act as the information officer:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated⁴ so that this Application is properly returnable today and hereby dispenses with further service thereof.

INITIAL RECOGNITION ORDER

2. THIS COURT ORDERS that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated ~~[DATE]~~ July 14, 2015 (the "**Recognition Order**").

3. THIS COURT ORDERS that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the

³ ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1) and 11.52(1).~~

⁴ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in the appropriate circumstances.~~

Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the ~~Recognition~~Supplemental Order shall govern.

~~RECOGNITION OF FOREIGN ORDERS~~⁵

~~4. THIS COURT ORDERS that the following orders (collectively, the "Foreign Orders") of [NAME OF FOREIGN COURT] made in the Foreign Proceeding are hereby recognized and given full force and effect⁶ in all provinces and territories of Canada pursuant to Section 49 of the CCAA:~~

- ~~(a) [list Foreign Orders, or portions of Foreign Orders, copies of which should be attached as schedules to this Order], attached as Schedule A to this Order;~~

~~provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.~~

~~APPOINTMENT OF INFORMATION OFFICER~~⁷

~~4.~~ ~~5-~~ THIS COURT ORDERS that ~~[NAME OF INFORMATION OFFICER]~~KPMG Inc. (the "**Information Officer**") is hereby appointed as an officer of this Court, with the powers and duties set out herein.

⁵~~This model Order adopts an approach that might be applicable to some foreign proceedings, but not others. For example, U.S. proceedings will typically generate court orders that will be brought to the Canadian Courts for recognition. Other jurisdictions may have statutory or regulatory rights (rather than court orders) that need to be recognized in Canada.~~

⁶~~Section 50 of the CCAA provides that an order made under Part IV of the CCAA may be made on any terms and conditions that the Court considers appropriate in the circumstances. Such terms and conditions would presumably need to be consistent with the orders or laws applicable to the foreign proceeding, subject to (i) the limitations imposed by section 48(2) (an order made under section 48(1) must be consistent with any order made under the CCAA), and (ii) the limitations imposed in section 61 (which provides that the Court may apply legal or equitable rules that are not inconsistent with the CCAA, and further that the Court may refuse to do something that would be contrary to public policy). All of the Foreign Orders should be reviewed by counsel with these issues in mind, and the Court may require confirmation from counsel that there is nothing in the Foreign Orders that is inconsistent with the CCAA or that would raise the public policy exception referenced in section 61 of the CCAA.~~

⁷~~The appointment of an Information Officer is not required by the CCAA, and is in the discretion of the Court. Information Officers are normally trustees licensed under the *Bankruptcy and Insolvency Act*.~~

NO PROCEEDINGS AGAINST THE ~~DEBTORS~~DEBTOR OR THE PROPERTY⁸

5. ~~6.~~ THIS COURT ORDERS that until such date as this Court may order (the "Stay Period") no proceeding or enforcement process in any court or tribunal in Canada (each, a "Proceeding") shall be commenced or continued against or in respect of the ~~Debtors~~Debtor or affecting ~~their~~its business (the "Business") or ~~their~~its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"), except with leave of this Court,⁹ and any and all Proceedings currently under way against or in respect of ~~any of the Debtors~~the Debtor or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

6. ~~7.~~ THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the ~~Debtors~~Debtor or the Foreign ~~Representative~~Representatives, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Foreign Representatives or leave of this Court, provided that nothing in this Order shall (i) ~~prevent the assertion of or the exercise of rights and remedies outside of Canada,~~ (ii) ~~empower any of~~empower the ~~Debtors~~Debtor to carry on any business in Canada which that Debtor is not lawfully entitled to carry on, (iii) ~~affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA,~~ (iv) exempt the Foreign Representatives or the Debtor from compliance with statutory or regulatory provisions.

⁸ The Model Order Subcommittee notes that a "Non-Derogation of Rights" section (found, for example, in the Model Initial CCAA Order) has not been included in this model Order. In a 'full' CCAA proceeding, which would typically include a stay of proceedings made under section 11.02 of the CCAA, a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, and 11.1(2). However, in a Part IV proceeding, section 48 of the CCAA (rather than section 11.02 of the CCAA) is being relied upon when a stay of proceedings is being sought, and despite the wording of section 48(2) and section 61, it is not clear if the restrictions applicable to a section 11.02 stay of proceedings are also applicable to a section 48 stay of proceedings, or would restrict the recognition of foreign proceedings or foreign orders that include a stay of proceedings broader than permitted in a section 11.02 stay of proceedings. These issues remain open for determination by Canadian courts.

⁹ Where the Court considers it to be appropriate, it may authorize other Persons, including a Court-appointed Information Officer, to provide consent to any Proceeding. This same comment applies in paragraphs 6 through 11 of this Order.

relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (~~v~~iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

7 ~~8~~-THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by ~~any of the Debtors~~Debtor and affecting the Business in Canada, except with leave of this Court or the written consent of the Foreign Representatives.

ADDITIONAL PROTECTIONS

8 ~~9~~-THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the ~~Debtors~~Debtor or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the ~~Debtors~~Debtor, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Debtors~~Debtor, and that the ~~Debtors~~Debtor shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.⁴⁰

9 ~~10~~-[THIS COURT ORDERS that during the Stay Period, ~~and except as permitted by subsection 11.03(2) of the CCAA~~except with leave of this Court, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the ~~Debtors~~Debtor with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ~~Debtors~~Debtor whereby the directors

⁴⁰~~Section 11.01 of the CCAA provides that no order made under section 11 or 11.02 has the effect of (a) prohibiting a person from requiring immediate payment for good, services, etc. provided after the order is made, or (b) requiring the further advance of money or credit. It is unclear whether these provisions also apply to an order made pursuant to section 48 of the CCAA. Please see the discussion in footnote 8 above.~~

or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.¹¹

10. ~~11.~~ THIS COURT ORDERS that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the ~~CCAA~~ Companies' Creditors Arrangement Act (Canada), and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

11. ~~12.~~ THIS COURT ORDERS that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign ~~Representative~~ Representatives in the performance of its duties as the Foreign ~~Representative~~ Representatives may reasonably request;
- (b) shall report to this Court at least once every ~~[three]~~ four months with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;
- (d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial

¹¹ ~~Counsel should specifically address with the Court whether this provision is appropriate in the context of this Order.~~

documents of the ~~Debtors~~Debtor, to the extent that is necessary to perform its duties arising under this Order; and

- (e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

12. ~~13.~~ THIS COURT ORDERS that the ~~Debtors~~Debtor and the Foreign ~~Representative~~Representatives shall (i) advise the Information Officer of all material steps taken by the ~~Debtors~~Debtor or the Foreign ~~Representative~~Representatives in these proceedings or in the Foreign Proceedings, (ii) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

13. ~~14.~~ THIS COURT ORDERS that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

14. ~~15.~~ THIS COURT ORDERS that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

15. ~~16.~~ THIS COURT ORDERS that the Information Officer may provide any creditor of ~~the~~ Debtor with information provided by the ~~Debtors~~Debtor in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the ~~Debtors~~Debtor is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise

directed by this Court or on such terms as the Information Officer, the Foreign ~~Representative~~Representatives and the ~~relevant Debtors~~Debtor may agree.

16. ~~17.~~ THIS COURT ORDERS that the Information Officer and counsel to the Information Officer shall be paid by the ~~Debtors~~Debtor their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The ~~Debtors are~~Debtor is hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer on a ~~[TIME INTERVAL]~~time interval basis and, in addition, the ~~Debtors are~~Debtor is hereby authorized to pay to the Information Officer ~~and counsel to the Information Officer, retainers, a retainer~~ in the ~~amount[s] of \$[AMOUNT OR AMOUNTS] [, respectively,]~~\$25,000.00 to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

17. ~~18.~~ THIS COURT ORDERS that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

~~19. THIS COURT ORDERS that the Information Officer and counsel to the Information Officer, if any, shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property in Canada, which charge shall not exceed an aggregate amount of \$[AMOUNT], as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs [21] and [23] hereof.~~

~~INTERIM FINANCING~~¹²

~~20. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property in Canada, which DIP~~

¹² Optional — if there is a DIP Lender which takes security over assets in Canada or in respect of Canadian Debtors. If more comprehensive interim financing provisions are required, please refer to the model CCAA Initial Order for sample provisions.

~~Lender's Charge shall be consistent with the liens and charges created by the [DESCRIBE DIP LOAN ORDER MADE IN THE FOREIGN PROCEEDING], provided however that the DIP Lender's Charge (i) shall not secure an obligation that exists before this Order is made,¹³ and (ii) with respect to the Property in Canada, shall have the priority set out in paragraphs [21] and [23] hereof, and further provided that the DIP Lender's Charge shall not be enforced except with leave of this Court.~~

~~VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER~~

~~21. THIS COURT ORDERS that the priorities of the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:¹⁴~~

~~First—Administration Charge (to the maximum amount of \$[AMOUNT]); and~~

~~Second—DIP Lender's Charge.~~

~~22. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.~~

~~23. THIS COURT ORDERS that each of the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property in Canada and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.~~

¹³ This restriction appears in the interim financing provisions found in section 11.2(1) of the CCAA. It is unclear if this prohibits the recognition of a foreign order that creates a DIP Lender's Charge securing pre-filing obligations.

¹⁴ The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.

~~24. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Administration Charge or the DIP Lender's Charge, unless the Debtors also obtain the prior written consent of the Information Officer and the DIP Lender.~~

~~25. THIS COURT ORDERS that the Administration Charge and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any Debtor, and notwithstanding any provision to the contrary in any Agreement:~~

- ~~(a) the creation of the Charges shall not create or be deemed to constitute a breach by a Debtor of any Agreement to which it is a party;~~
- ~~(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and~~
- ~~(c) the payments made by the Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.~~

~~26. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Debtor's interest in such real property leases.~~

SERVICE AND NOTICE

18. ~~27.~~ THIS COURT ORDERS that that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol ~~with the following URL ‘<@>’.~~

19. ~~28.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Debtors~~Debtor, the Foreign ~~Representative~~Representatives and the Information Officer are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Debtors’~~Debtor’s creditors or other interested parties domiciled in Canada at their respective addresses as last shown on the records of the ~~applicable~~ Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

20. ~~29.~~ THIS COURT ORDERS that the Information Officer or the Foreign Representatives may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

21. ~~30.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of ~~any~~the Debtor, the Business or the Property.

22. ~~31.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the ~~[JURISDICTION OF THE FOREIGN PROCEEDING]~~ United Kingdom, to give effect to this Order and to assist the ~~Debtors~~ Debtor, the Foreign ~~Representative~~ Representatives, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Debtors~~ Debtor, the Foreign ~~Representative~~ Representatives, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the ~~Debtors~~ Debtor, the Foreign ~~Representative~~ Representatives, and the Information Officer and their respective agents in carrying out the terms of this Order.

23. ~~32.~~ THIS COURT ORDERS that ~~each of~~ the ~~Debtors~~ Debtor, the Foreign ~~Representative~~ Representatives and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

24. ~~33.~~ THIS COURT ORDERS that the Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute ~~and attached as Schedule [*] hereto~~ is adopted by this Court for the purposes of these recognition proceedings.

25. ~~34.~~ THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the ~~Debtors~~ Debtor, the Foreign ~~Representative~~ Representatives, the Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

26. ~~35.~~ THIS COURT ORDERS that this Order shall be effective as of ~~[TIME]~~ on the date of this Order.¹⁵

¹⁵ ~~The time referenced in this Order should be the same time as the time referenced in the Recognition Order, if the two Orders are made on the same date. In the absence of such a provision, Rule 59.01 of the Ontario Rules of Civil Procedure appears to indicate that an Order is effective as of 12:01 a.m. on the date of the Order (Rule 59.01 provides that "An order is effective from the date on which it is made, unless it provides otherwise").~~

{ATTACH APPROPRIATE SCHEDULES}

TAB 7

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C, 1985, c.
B-3, AS AMENDED**

**AND IN THE MATTER OF A PROCEEDING IN THE UNITED KINGDOM OF
TULLIS RUSSELL PAPERMAKERS LIMITED (IN ADMINISTRATION)**

**APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR
OF KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C., 1985, c. B-3, AS AMENDED.**

CONSENT

KPMG Inc. hereby consents to act as information officer in respect of the recognition of the foreign proceeding of Tullis Russell Papermakers Limited (in Administration) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, if so appointed by this Honourable Court.

DATED at Toronto this 13 day of July, 2015.

KPMG INC.

Per:



Nick Brearton
President

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36
AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT
WITH RESPECT TO U. S. STEEL CANADA INC.

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

CONSENT

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto-Dominion Centre
Toronto, ON M5K 1E6
Fax: (416) 868-0673

James D. Gage LSUC#: 346761
Tel: (416) 601-7539
E-mail: jgage@mccarthy.ca

Kelly Peters LSUC#: 59914W
Tel: (416) 601-8281
Email: kpeters@mccarthy.ca

Lawyers for the Foreign Representatives
DOC#: 14662417

**APPLICATION OF BLAIR CARNEGIE NIMMO AND GERARD ANTHONY FRIAR OF
KPMG LLP UNDER SECTION 269 OF THE BANKRUPTCY AND INSOLVENCY ACT,
R.S.C., 1985, c. B-3, AS AMENDED.**

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

Proceeding commenced at Toronto

APPLICATION RECORD

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

James D. Gage LSUC#: 34676I

Tel: 416-601-7539

Fax: 416-868-0673

Kelly Peters LSUC#: 59914W

Tel: 416-601-8082

Fax: 416-868-0673

Lawyers for the Applicant, Tullis Russell
Papermakers Limited (in Administration)

DOCS 14668051