

NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL HEARING

**IN THE MATTER OF THE PROPOSED RETIREES' CLASS ACTION
AGAINST KIMBERLY-CLARK INC., NEENAH PAPER INC.
AND NEENAH PAPER COMPANY OF CANADA**

PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS.

TO:	All persons who, immediately prior to October 1, 2006, were covered by the post-retirement health or life insurance benefit plans sponsored by Neenah Paper Inc. and/or Neenah Paper Company of Canada in respect of the Terrace Bay or Longlac operations of Kimberly-Clark Inc. and/or Neenah Paper Company of Canada.
Summary of Proceeding	<p>Alan Chisholm, Althea Graham and Richard Flanagan have commenced a proposed class action on behalf of all persons who, immediately prior to October 1, 2006, were covered by the post-retirement health or life insurance benefit plans sponsored by Neenah Paper Inc. and/or Neenah Paper Company of Canada in respect of the Terrace Bay or Longlac operations of Kimberly-Clark Inc. and/or Neenah Paper Company of Canada.</p> <p>The claim alleges that Kimberly-Clark Inc., Neenah Paper Inc. and/or Neenah Paper Company of Canada breached their contractual obligations and/or their fiduciary duties and/or a binding promise owed to their retirees who retired before October 1, 2006, for the provision of health benefits and life insurance on the same terms as had been in place immediately prior to that date. The Plaintiffs seek damages for the loss of these benefits on those terms as well as declarations concerning their entitlement to post-retirement benefits.</p> <p>This action has not yet been certified by the Superior Court of Justice as a class proceeding.</p>
Common Issue	<p>The Plaintiffs have proposed the following common issue be addressed by this legal proceeding:</p> <p>i. Did the class members' health and life insurance benefits vest upon retirement?</p> <p>If this matter were to proceed to trial or if the proposed settlement outlined below is approved by the Court, a judgment of the Ontario Superior Court of Justice on the above common issue, whether favourable or not, or a judgement which approves the proposed settlement will bind all class members who do not opt out of this proceeding.</p>

<p>Terms of the Proposed Settlement</p>	<p>The Plaintiffs and the Defendants have reached a proposed settlement. This settlement has not yet received the approval of the Court and is subject to the conditions set out below. If approval is granted at the Settlement Approval Hearing, the terms of the settlement set out below will be binding on all Class members who do not opt out. The financial terms of this settlement are as follows:</p> <ul style="list-style-type: none"> • A lump sum payment of \$5,500,000 will be paid to the class. Fees and disbursements (expenses of the law suit) including GST, administration fees and taxes will be paid from this sum. • Neenah Paper will stop paying the premiums for the Follow-Me program (the health benefits plan currently in effect) as of December 31, 2007, or as soon as the Court approves this proposed settlement. In exchange for no longer paying these premiums, Neenah Paper will add \$1,000,000 to the lump sum payment of \$5,500,000. • If the Court approves this settlement after December 31, 2007, which is likely, then the cost of any premiums paid by Neenah Paper for the period following December 31, 2007, will be deducted from the additional lump sum payment of \$1,000,000. These monthly premiums are approximately \$117,000. • The remainder of the settlement funds will then be allocated among the members of the class. The specifics of this allocation are set out below under "Proposed Allocation". • The settlement agreement provides that if more than TEN Class members opt out of the settlement, the Settlement can be terminated at Neenah Paper's option. • The life insurance for which certain class members are currently eligible will continue to be provided to them on the same terms as it is currently being provided. Class members will continue to pay 25 per cent of the premiums and Neenah Paper will pay 75 per cent of the premiums. These percentages cannot be changed in the future although the amount of the premiums may change over time.
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<p>Proposed Allocation</p>	<p>If as of October 1, 2006, you were a retiree and entitled to receive group health benefits and life insurance, you will receive approximately \$10,000 from the settlement funds.</p> <p>If as of October 1, 2006, you were a retiree and had only group health benefits, you will receive approximately \$9,000.</p> <p>If as of October 1, 2006, you were a retiree and had only life insurance, you will receive approximately \$1,000.</p> <p>In addition, everyone entitled to health benefits under the Follow-Me Program, including the surviving spouse of a retiree, will receive an equal share of the money being provided to replace that Program. For example, if this proposed settlement is approved by the end of February, 2008, approximately \$766,000 will remain of the money being paid in lieu of the premiums and will be divided equally among all members of this group. Retirees whose spouses are entitled to these health benefits will receive two equal portions, one on their own and one on their spouses' behalf.</p>
<p>Class Counsel Legal Fees</p>	<p>Class counsel were retained to conduct this litigation on a contingency basis. They will be paid for both fees and disbursements (all expenses of the law suit) only if they win in court or achieve a settlement which financially compensates proposed class members. If successful, Class counsel will request a fee of \$1.1 million from the Court inclusive of GST and disbursements. If approved, this amount will be deducted from the Proposed Allocation described above. It amounts to approximately 18 per cent.</p>

Opting Out of the Class Action	<p>If you wish to remain as a member of the proposed class, you do not need to do anything. If you do nothing and the proposed settlement is approved, you will be mailed a cheque in an amount as set out above under "Proposed Allocation".</p> <p>If you wish to exclude yourself from this proposed class proceeding, you are required to opt out. You can opt out by completing the attached Opt Out Coupon by no later than January 30, 2008, or by sending a legible, written and signed request to opt out, containing substantially the same information as set out in the Opt Out Coupon by no later than January 30, 2008, to the attention of Cavalluzzo Hayes Shilton McIntyre & Cornish ^{LLP} at the address listed both on the attached Opt Out Coupon and below.</p> <p>If you opt out, you will not be bound by any Judgment in this class action and you will not be able to participate in the proposed Settlement.</p>
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<p>Certification and Settlement Approval Hearing</p>	<p>A Certification and Settlement Approval Hearing is scheduled for February 6, 2008, at the Courthouse, 277 Camelot Street, Thunder Bay, Ontario. However, if more than TEN members of the proposed class opt out, the Settlement may be terminated at Neenah Paper's option and the hearing will be cancelled.</p> <p>The purpose of this hearing is two-fold. First, the Court will be asked to certify this proceeding as a class action. Second, the Court will be presented with the terms of the settlement. At this hearing, the Court will determine whether the proposed settlement and the proposed allocation are fair, reasonable and in the best interests of the Class members.</p> <p>You are entitled to appear and to make submissions at this hearing. However, you are not required to make submissions or to take any other action if you wish to participate in the settlement. If you do nothing, you will be included in the settlement (if it is approved) and you will receive your payment.</p> <p>If you wish to comment on or to make an objection to the settlement, or the fees and expenses of Class counsel, you are asked to set out your objections in writing, delivered to Class counsel (contact information is listed below) by no later than January 30, 2008. Class counsel will forward all submissions to the Court. If you wish to participate in the hearing, either in person or by counsel, please advise Class Counsel.</p> <p>At the Settlement Approval Hearing, Class counsel will be seeking approval of their fees and expenses. Class counsel were retained on a contingency basis and were to be paid only if successful in the litigation. As part of the retainer agreement, legal fees were set at 20 per cent of the total settlement plus GST and disbursements. However, Class counsel is proposing to reduce its fees and will be requesting an all-inclusive amount for legal fees, expenses and GST of \$1,100,000.</p>
<p>Web Site</p>	<p>The materials that will be used to support the proposed settlement can be found at www.retireesclassaction.com. These materials include the settlement agreement, a list of frequently asked questions, the Amended Statement of Claim, and evidence in support of the Settlement Approval Hearing. If you would like copies of any of these documents, please visit this web site or contact class counsel at the number provided below.</p>

Class Counsel	The following firm represents the proposed Class members: Cavalluzzo Hayes Shilton McIntyre & Cornish^{LLP} Barristers & Solicitors 474 Bathurst Street, Suite 300 Toronto, Ontario M5T 2S6 Attention: Miriam (Mia) London
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DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE.

Use the following Opt Out form if you wish to opt out of the proposed class action or send a written signed request to opt out, containing substantially the same information as set out in this Opt Out Coupon. **If you wish to be part of the settlement, you are not required to send anything.**

OPT OUT COUPON

CAVALLUZZO HAYES SHILTON MCINTYRE & CORNISH LLP

Barristers & Solicitors
474 Bathurst Street, Suite 300
Toronto, ON M5T 2S6

Attention: Miriam (Mia) London

I wish to opt out of the proposed *Chisholm et al. v. Neenah Paper et al.* class action.

Signature

Name:
(please print)

Address:

Postal Code

Email Address

Note: To opt out, this coupon must be completed and received at the above address by no later than **January 30, 2008**.