# Form 5500

**Department of the Treasury**
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2014**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

**D** Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
KAPSTONE PAPER AND PACKAGING CORPORATION 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/2007

**2a** Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
KAPSTONE PAPER AND PACKAGING CORPORATION

1101 SKOKIE BLVD STE 300
NORTHBROOK, IL 60062-4124

**2b** Employer Identification Number (EIN)
20-2699372

**2c** Plan Sponsor's telephone number
847-239-8809

**2d** Business code (see instructions)
322100

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/09/2015 | JEFFREY ZROBACK |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/09/2015 | JEFFREY ZROBACK |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)

Preparer's telephone number (optional)

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: | **4b** EIN | |
| **a** Sponsor's name | **4c** PN | |

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 2966 |
| **6** | Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** | Total number of active participants at the beginning of the plan year | **6a(1)** | 2826 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 2829 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 147 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 2976 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 2976 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 17 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 53 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 2R 2S 2T 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

| **9a** Plan funding arrangement (check all that apply) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** | [X] Insurance | **(1)** | [X] Insurance |
| **(2)** | [ ] Code section 412(e)(3) insurance contracts | **(2)** | [ ] Code section 412(e)(3) insurance contracts |
| **(3)** | [X] Trust | **(3)** | [X] Trust |
| **(4)** | [ ] General assets of the sponsor | **(4)** | [ ] General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [X] 1 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

| **Part III** | **Form M-1 Compliance Information (to be completed by welfare benefit plans)** |
|---|---|

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2014**

**This Form is Open to Public Inspection**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

**A** Name of plan
KAPSTONE PAPER AND PACKAGING CORPORATION 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
KAPSTONE PAPER AND PACKAGING CORPORATION

**D** Employer Identification Number (EIN)
20-2699372

**Part I** **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier

PRINCIPAL LIFE INSURANCE COMPANY

| **(b)** EIN | **(c)** NAIC code | **(d)** Contract or identification number | **(e)** Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | **(f)** From | **(g)** To |
| 42-0127290 | 61271 | 518835 | 17 | 01/01/2014 | 12/31/2014 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

| **(a)** Total amount of commissions paid | **(b)** Total amount of fees paid |
|---|---|
| 0 | 0 |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

## Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

| | | | |
|---|---|---|---|
| **4** | Current value of plan's interest under this contract in the general account at year end | **4** | 0 |
| **5** | Current value of plan's interest under this contract in separate accounts at year end | **5** | 0 |

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| **b** | Premiums paid to carrier | **6b** | |
| **c** | Premiums due but unpaid at the end of the year | **6c** | |
| **d** | If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. | **6d** | |

Specify nature of costs ▶

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☐ other ▶

| | | | | | |
|---|---|---|---|---|---|
| **b** | Balance at the end of the previous year | | | **7b** | |
| **c** | Additions: (1) Contributions deposited during the year | **7c(1)** | | | |
| | (2) Dividends and credits | **7c(2)** | | | |
| | (3) Interest credited during the year | **7c(3)** | | | |
| | (4) Transferred from separate account | **7c(4)** | | | |
| | (5) Other (specify below) | **7c(5)** | | | |
| | ▶ | | | | |
| | (6) Total additions | | | **7c(6)** | |
| **d** | Total of balance and additions (add lines **7b** and **7c(6)**). | | | **7d** | |
| **e** | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | **7e(1)** | | | |
| | (2) Administration charge made by carrier | **7e(2)** | | | |
| | (3) Transferred to separate account | **7e(3)** | | | |
| | (4) Other (specify below) | **7e(4)** | | | |
| | ▶ | | | | |
| | (5) Total deductions | | | **7e(5)** | |
| **f** | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | **7f** | 0 |

## Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

**a** ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance

**e** ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug

**i** ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract

**m** ☐ Other (specify) ▶

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount | | | **10b** | |

Specify nature of costs ▶

## Part IV Provision of Information

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

# SCHEDULE C (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Service Provider Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2014**

**This Form is Open to Public Inspection.**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

**A** Name of plan
KAPSTONE PAPER AND PACKAGING CORPORATION 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
KAPSTONE PAPER AND PACKAGING CORPORATION

**D** Employer Identification Number (EIN)
20-2699372

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

**(b)** Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 13 37 50 64 | CONTRACT ADMINISTRATOR | 164395 | Yes [X] No [ ] | Yes [X] No [ ] | 23584 | Yes [ ] No [X] |

**(a)** Enter name and EIN or address (see instructions)

PERSHING, LLC

13-2741729

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 33 50 64 65 | BROKER/DEALER | 5986 | Yes [X] No [ ] | Yes [ ] No [X] | 75 | Yes [ ] No [X] |

**(a)** Enter name and EIN or address (see instructions)

CAPITAL STRATEGIES INVESTMENT GROUP

26-4789150

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 99 | INVESTMENT ADVISORY | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 12500 | Yes [ ] No [X] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

JEFFREY SLOCUM & ASSOCIATES INC.

41-1567437

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 99 | INVESTMENT ADVISORY | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 9848 | Yes [ ] No [X] |

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes [ ] No [ ] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes [ ] No [ ] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

## Part I Service Provider Information (continued)

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| PRINCIPAL LIFE INSURANCE COMPANY | 13 37 50 64 | 3636 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PERSHING, LLC<br><br>13-2741729 | PRINCIPAL SELF DIRECTED BROKERAGE ACCOUNT FEES |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| PRINCIPAL LIFE INSURANCE COMPANY | 13 37 50 64 | 19948 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PRINCIPAL LIFE INSURANCE COMPANY<br><br>42-0127290 | CONTRACT ADMINISTRATOR |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| CAPITAL STRATEGIES INVESTMENT GROUP | 27 99 | 12500 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PRINCIPAL LIFE INSURANCE COMPANY<br><br>42-0127290 | INVESTMENT ADVISORY (PLAN) |

## Part I Service Provider Information (continued)

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| JEFFREY SLOCUM & ASSOCIATES INC. | 27 99 | 9848 |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| PRINCIPAL LIFE INSURANCE COMPANY<br><br>42-0127290 | INVESTMENT ADVISORY (PLAN) | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

| | | |
|---|---|---|
| **a** | Name: | **b** EIN: |
| **c** | Position: | |
| **d** | Address: | **e** Telephone: |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2014**

**This Form is Open to Public Inspection.**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

**A** Name of plan
KAPSTONE PAPER AND PACKAGING CORPORATION 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
KAPSTONE PAPER AND PACKAGING CORPORATION

**D** Employer Identification Number (EIN)
20-2699372

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL EM MKT SEP ACCT-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 42-0127290-013 | P | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN U.S. PROPERTY SEP ACCT-R6

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 42-0127290-027 | P | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN DIVERSIFIED INTL SA-R6

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 42-0127290-015 | P | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP S&P 500 INDEX SA-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 42-0127290-016 | P | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP VALUE I SA-R6

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 42-0127290-043 | P | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP S&P 600 INDEX SA-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 42-0127290-028 | P | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP S&P 400 IDX SA-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 42-0127290-023 | P | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP GROWTH III SA-R6

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN 42-0127290-026 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2010 SEP ACCT-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN 42-0127290-075 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2020 SEP ACCT-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN 42-0127290-076 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2030 SEP ACCT-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN 42-0127290-077 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2040 SEP ACCT-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN 42-0127290-078 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2050 SEP ACCT-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN 42-0127290-079 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM STR INC SA-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN 42-0127290-080 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL STABLE VALUE SELECT

**b** Name of sponsor of entity listed in (a): UNION BOND & TRUST COMPANY

| **c** EIN-PN 93-6274328-001 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12676 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2060 SEP ACCT-I3

**b** Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

| **c** EIN-PN 42-0127290-130 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2014**

**This Form is Open to Public Inspection**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

**A** Name of plan
KAPSTONE PAPER AND PACKAGING CORPORATION 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
KAPSTONE PAPER AND PACKAGING CORPORATION

**D** Employer Identification Number (EIN)
20-2699372

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 0 | 157974490 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 4186006 | 4725713 |
| **(2)** Participant contributions | 1b(2) | 332010 | 75706 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 0 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 1701 | 0 |
| **(B)** Common | 1c(4)(B) | 1233887 | 801643 |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 8766798 | 9688121 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 16461587 | 12676 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 102900827 | 0 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 17842348 | 357497 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 151725164 | 173635846 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 0 | |
| **h** | Operating payables | 1h | 0 | |
| **i** | Acquisition indebtedness | 1i | 0 | |
| **j** | Other liabilities | 1j | 0 | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 151725164 | 173635846 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 12461091 | |
| | **(B)** Participants | 2a(1)(B) | 13922144 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 2146933 | |
| | **(2)** Noncash contributions | 2a(2) | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 28530168 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 0 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| | **(E)** Participant loans | 2b(1)(E) | 376763 | |
| | **(F)** Other | 2b(1)(F) | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 376763 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | 0 | |
| | **(B)** Common stock | 2b(2)(B) | 48862 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 176524 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 225386 |
| | **(3)** Rents | 2b(3) | | 0 |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | 0 | |
| | **(B)** Other | 2b(5)(B) | -122372 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | -122372 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 51263 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 6970263 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 1060094 |
| c Other income | 2c | | 0 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 37091565 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 15004170 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| (3) Other | 2e(3) | 1294 | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 15005464 |
| f Corrective distributions (see instructions) | 2f | | 5037 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| h Interest expense | 2h | | 0 |
| i Administrative expenses: **(1)** Professional fees | 2i(1) | 0 | |
| (2) Contract administrator fees | 2i(2) | 170382 | |
| (3) Investment advisory and management fees | 2i(3) | 0 | |
| (4) Other | 2i(4) | 0 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 170382 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 15180883 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 21910682 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 0 |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: BKD LLP **(2)** EIN: 44-0160260

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 10000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | X | | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | X | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ **Yes** ☒ **No** **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

## Part V Trust Information (optional)

| **6a** Name of trust | **6b** Trust's EIN |
|---|---|
| | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2014**

**This Form is Open to Public Inspection.**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

**A** Name of plan
KAPSTONE PAPER AND PACKAGING CORPORATION 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
KAPSTONE PAPER AND PACKAGING CORPORATION

**D** Employer Identification Number (EIN)
20-2699372

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 42-0127290

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

# KapStone Paper and Packaging Corporation 401(k) Plan

## EIN 20-2699372 Plan Number 001

## Independent Auditor's Report and Financial Statements

**December 31, 2014 and 2013**

BKD LLP
CPAs & Advisors

# KapStone Paper and Packaging Corporation 401(k) Plan

**December 31, 2014 and 2013**

## Contents


**Independent Auditor's Report** ..... **1**

**Financial Statements**

Statements of Net Assets Available for Benefits ..... 3

Statements of Changes in Net Assets Available for Benefits ..... 4

Notes to Financial Statements ..... 5

**Supplemental Schedule**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) ..... 15

BKD LLP
CPAs & Advisors

1901 S. Meyers Road, Suite 500 // Oakbrook Terrace, IL 60181-5209
630.282.9500 // fax 630.282.9495 // bkd.com

# Independent Auditor's Report

Board of Trustees of
KapStone Paper and Packaging Corporation 401(k) Plan
Northbrook, Illinois

We were engaged to audit the accompanying financial statements of KapStone Paper and Packaging Corporation 401(k) Plan, which comprise the statement of net assets available for benefits as of December 31, 2014, the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting our audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Principal Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and notes receivable from participants and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

## Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the 2014 financial statements.

## Other Matter – 2013 Financial Statements

Other auditors (Wolf & Company LLP) were engaged to audit the financial statements of the Plan as of and for the year ended December 31, 2013, whose report dated September 19, 2014, disclaimed an opinion on those financial statements as a result of the omission of certain audit procedures at the request of management as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974.*

## Other Matter

The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2014, is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974* and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedule.

## Report on Form and Content in Compliance with DOL Rules and Regulations – 2014

The form and content of the information included in the 2014 financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974.*

BKD, LLP

Oakbrook Terrace, Illinois
August 11, 2015

Federal Employer Identification Number: 44-0160260

# KapStone Paper and Packaging Corporation 401(k) Plan

## Statements of Net Assets Available for Benefits

## December 31, 2014 and 2013

| | 2014 | 2013 |
|---|---|---|
| **Non-interest Bearing Cash** | $ 157,974,490 | $ - |
| **Investments, at Fair Value** | | |
| Registered investment companies | - | 17,537,736 |
| Common or collective trust | 12,676 | 16,461,587 |
| Pooled separate accounts | - | 102,900,826 |
| Self-directed brokerage accounts | 1,159,140 | 1,540,201 |
| | 1,171,816 | 138,440,350 |
| **Receivables** | | |
| Participant contributions | 75,706 | 332,010 |
| Employer contributions | 4,725,713 | 4,186,006 |
| Notes receivable from participants | 9,688,121 | 8,766,798 |
| | 14,489,540 | 13,284,814 |
| **Net Assets Available for Benefits, at Fair Value** | 173,635,846 | 13,284,814 |
| **Adjustment from Fair Value to Contract Value for Interest in Common or Collective Trust Relating to Fully Benefit-Responsive Investment Contracts** | (134) | (99,637) |
| **Net Assets Available for Benefits** | $ 173,635,712 | $ 151,625,527 |

# KapStone Paper and Packaging Corporation 401(k) Plan

## Statements of Changes in Net Assets Available for Benefits

## Years Ended December 31, 2014 and 2013

| | 2014 | 2013 |
|---|---|---|
| **Additions** | | |
| Investment income | | |
| Dividends | $ 225,386 | $ 227,095 |
| Net appreciation in fair value of investments | 8,058,751 | 18,083,100 |
| Net investment income | 8,284,137 | 18,310,195 |
| Interest income on notes receivable from participants | 376,763 | 325,605 |
| Contributions | | |
| Participants | 13,922,144 | 13,017,414 |
| Employer | 12,461,091 | 10,968,444 |
| Rollovers | 2,146,933 | 5,176,352 |
| Total contributions | 28,530,168 | 29,162,210 |
| Total additions | 37,191,068 | 47,798,010 |
| **Deductions** | | |
| Benefits paid directly to participants | 15,010,501 | 7,914,983 |
| Administrative expenses | 170,382 | 137,492 |
| Total deductions | 15,180,883 | 8,052,475 |
| **Net Increase** | 22,010,185 | 39,745,535 |
| **Net Assets Available for Benefits, Beginning of Year** | 151,625,527 | 111,879,992 |
| **Net Assets Available for Benefits, End of Year** | $ 173,635,712 | $ 151,625,527 |

# KapStone Paper and Packaging Corporation 401(k) Plan

## Notes to Financial Statements

## December 31, 2014 and 2013

## Note 1: Description of the Plan

The following description of the KapStone Paper and Packaging Corporation 401(k) Plan (Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

### *General*

The Plan is a defined contribution plan covering all employees of KapStone Paper and Packaging Corporation (Company). The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA), as amended by subsequent legislation. The Plan was adopted on January 1, 2007.

Effective November 1, 2011, the Company acquired U.S. Corrugated, Inc. Former salaried non-bargained hourly and union employees of U.S. Corrugated, Inc. were added to the Plan.

Effective July 18, 2013, the Company acquired Longview Fibre Paper and Packaging, Inc. (Longview). Employees of Longview continued to participate in the Longview Fibre Paper and Packaging, Inc. Salaried 401(k) Plan and the Longview Fibre Paper and Packaging, Inc. Union Hourly Employees 401(k) Plan until January 1, 2015, at which time the plans merged into the KapStone Paper and Packaging Corporation 401(k) Plan. Additionally, effective January 1, 2015, the Plan changed its record keeper and trustee of the Plan, and at December 31, 2014, plan assets in the amount of $157,974,490 were in-transit and held in a non-interest bearing cash account until the transfer was recognized by the new record keeper and trustee in 2015. (See Note 11).

### *Contributions*

Participants can contribute up to 100% of annual compensation as defined in the Plan. Roth elective deferral contributions and pre-tax elective deferral contributions are both counted in the maximum deferral limit. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Eligible compensation for any plan year shall not exceed the maximum provided by the Internal Revenue Code. Age 50 and over participants can contribute an additional $5,500 in 2014 and 2013. A participant's account may include contributions made to another plan and transferred to the Plan as part of a rollover contribution. The Plan currently offers various pooled separate accounts, registered investment companies and a stable value fund (common or collective trust) as investment options for participants. Additional and discretionary contributions are computed in accordance with the terms of the Plan and may be made at the discretion of the Company.

For salaried and nonbargained hourly employees, the Company may match 100% up to 4% of pay, plus 50% from 4% of pay up to 6% of pay. For Roanoke Rapids Mill bargaining employees, the Company may match 100% up to 3% of pay, plus 50% from 3% of pay up to 6% of pay. For Charleston bargaining employees, the Company may match 100% up to 3% of pay, plus 50% from 3% of pay up to 5% of pay. For Amsterdam, Cedar Rapids, Twin Cities and Mesquite bargaining employees, the Company may match 50% up to 6% of pay. For Springfield bargaining employees,

the Company may match 50% up to 2% of pay, with a match limit of $500. For Bowling Green bargaining employees, the Company may match 50% up to 6% of pay, with a match limit of $600.

### *Participant Accounts*

Each participant's account is credited with the participant's contribution and allocations of the Company's contributions, and plan earnings and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### *Vesting*

Participants are immediately vested in their contributions plus actual earnings thereon. Except as noted below, all employees are immediately vested in Company matching contributions. Vesting in the matching contribution portion of participant's accounts plus actual earnings for bargaining employees at the Mesquite location is based on years of continuous service as follows:

| Years of Service | Percentage |
|---|---|
| Less than 1 | 0% |
| 1 | 34% |
| 2 | 67% |
| 3 or more | 100% |

Vesting in the matching contribution portion of participant's accounts plus actual earnings for Roanoke Rapids Mill union employees and the additional (RSA) contribution for all salaried/non-bargained hourly employees is based on years of continuous service as follows:

| Years of Service | Percentage |
|---|---|
| Less than 3 | 0% |
| 3 or more | 100% |

### *Notes Receivable from Participants*

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. The participant must sign a promissory note for the loan. The participant may be granted two loans during any one-year period and only two loans may be outstanding at a time. The loan period cannot exceed five years, unless the proceeds of the loans are used to purchase a primary residence which shall not exceed fifteen years, and the loans bear interest at rates commensurate with current interest rates used by the lending industry. The interest rates for the outstanding loans range from 4.25% to 6.00% at December 31, 2014.

### *Payment of Benefits*

If a participant retires, the balance of the participant's account is payable at his/her option in either a lump sum or a rollover into a qualified plan or IRA unless the participant's balance in the Plan is less than $1,000, in which case the participant will receive a lump-sum distribution. If the balance is between $1,000 and $5,000, Principal Trust Company automatically establishes an IRA account for the employee. Upon death or termination of a participant, the trustee of the Plan advises the beneficiary or participant of the various methods of distribution of the participant's account available to the participant or his/her beneficiary.

### *Forfeitures*

Forfeitures are first applied to plan expenses, and any remaining amounts will reduce the earliest employer contributions made after the forfeitures are determined. At December 31, 2014 and 2013, $0 and $78,767, respectively, were available for future use and have been allocated to plan assets. Forfeitures of $89,788 and $37 were used to reduce administrative expenses in 2014 and 2013, respectively.

## Note 2: Summary of Significant Accounting Policies

### *Basis of Accounting*

The financial statements of the Plan are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

### *Fully Benefit-Responsive Investment Contract*

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through a collective trust. The statement of net assets available for benefits presents the fair value of the investment in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The statement of changes in net assets available for benefits is prepared on the contract basis. The fair value of

the Plan's interest in the funds is based on information reported by the issuer of the common or collective trust at year end. The contract value of the funds represents contributions plus earnings, less participant withdrawals and administrative expenses. The average yield of the underlying investment contracts was 1.48% and 1.28% in 2014 and 2013, respectively. The average yield credited to participants in 2014 and 2013 was 1.44% and 1.24%, respectively.

### *Valuation of Investments and Income Recognition*

Investments held in pooled separate accounts are reported at fair value based on quoted market prices of each fund's underlying investments. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan. The Stable Value Fund is valued based on information reported by Principal Trust Company.

The Plan provides for investments that, in general, are exposed to various risks such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Purchases and sales of securities are reflected on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### *Payment of Benefits*

Benefit payments to participants are recorded when paid.

### *Notes Receivable from Participants*

Notes receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions.

### *Administrative Expenses*

Certain administrative expenses are paid by the Company on behalf of the Plan. They are not material to the financial statements. Administrative expenses paid by the Plan totaled $170,382 and $137,492 for the years ended December 31, 2014 and 2013, respectively. Additionally, certain employees of the Plan provide administrative and trustee services to the Plan and are not reimbursed by the Plan for such services. Certain investment management fees are netted in the net appreciation in fair value of investments.

## Note 3: Investments

Investments that represent 5% or more of the Plan's net assets available for plan benefits at December 31, 2014 and 2013, are as follows:

| | 2014 | 2013 |
|---|---|---|
| Stable Value Fund (contract value of $16,361,950 at December 31, 2013) | $ * | $ 16,461,587 |
| Principal Lifetime 2020 Fund | * | 33,817,697 |
| Principal Lifetime 2030 Fund | * | 27,886,121 |
| Principal Lifetime 2040 Fund | * | 11,116,594 |

*Investment less than 5% of Plan net assets available for benefits.

During 2014 and 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

| | 2014 | 2013 |
|---|---|---|
| Registered investment companies | $ 937,723 | $ 2,773,134 |
| Stable Value Fund | 150,767 | 147,569 |
| Pooled separate accounts | 6,970,261 | 15,162,397 |
| | $ 8,058,751 | $ 18,083,100 |

## Note 4: Fair Value of Plan Assets and Liabilities

Generally accepted accounting principles provide a uniform framework for the definition, measurement and disclosure of fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The financial accounting standards establish a fair value hierarchy which requires a plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The financial accounting standards describe three levels of inputs that may be used to measure fair value:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the plan has the ability to access as of the measurement date.

*Level 2*: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data.

*Level 3*: Significant unobservable inputs that reflect a plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level or any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

The fair value of registered investment companies is determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

At December 31, 2013, the fair value of participation units held by the Plan in pooled separate accounts is based on their net asset values, as reported by Principal Life Insurance Company and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date.

The pooled separate accounts invest mainly in domestic stocks, mutual funds and commercial real estate. The fair value of the mutual funds are publicly quoted pricing Level 1 inputs and the majority of the underlying securities have observable Level 1 quoted pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation. While the underlying asset values are quoted prices, the NAV of a separate account is not publicly quoted and therefore contains other observable Level 2 inputs.

The net asset value of the common or collective trust (Stable Value Fund) is based on the market value of its underlying investments. This fund contains synthetic investment contracts comprised of both underlying investment and contractual components which have observable Level 1 and Level 2 pricing inputs, including quoted prices for similar assets in active and non-active markets.

The self-directed brokerage accounts are comprised of various types of investments. The fair value of registered investment companies and publicly traded preferred and common stocks held by the Plan are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014 and 2013:

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| December 31, 2014 | | | | |
| Self-directed brokerage accounts | | | | |
| Registered investment companies | $ 357,497 | $ 357,497 | $ - | $ - |
| Common stocks | 801,643 | 801,643 | - | - |
| | 1,159,140 | 1,159,140 | - | - |
| Common or collective trust | | | | |
| Stable Value Fund (f) | 12,676 | - | 12,676 | - |
| | $ 1,171,816 | $ 1,159,140 | $ 12,676 | $ - |
| December 31, 2013 | | | | |
| Registered investment companies | | | | |
| Large U.S. equity funds | $ 6,043,078 | $ 6,043,078 | $ - | $ - |
| Small/mid U.S. equity funds | 3,402,813 | 3,402,813 | - | - |
| International equity funds | 2,866,797 | 2,866,797 | - | - |
| Fixed income funds | 5,225,048 | 5,225,048 | - | - |
| | 17,537,736 | 17,537,736 | - | - |
| Self-directed brokerage accounts | | | | |
| Registered investment companies | 304,613 | 304,613 | - | - |
| Preferred stocks | 1,701 | 1,701 | - | - |
| Common stocks | 1,233,887 | 1,233,887 | - | - |
| | 1,540,201 | 1,540,201 | - | - |
| Pooled separate accounts | | | | |
| Large U.S. equity funds (a) | 5,678,031 | - | 5,678,031 | - |
| Small/mid U.S. equity funds (b) | 9,573,162 | - | 9,573,162 | - |
| International equity funds (c) | 4,020,353 | - | 4,020,353 | - |
| Balanced/asset allocation funds (d) | 83,428,637 | - | 83,428,637 | - |
| Fixed income funds (e) | 200,643 | - | 200,643 | - |
| | 102,900,826 | - | 102,900,826 | - |
| Common or collective trust | | | | |
| Stable Value Fund (f) | 16,461,587 | - | 16,461,587 | - |
| | $ 138,440,350 | $ 19,077,937 | $ 119,362,413 | $ - |

(a) These pooled separate accounts invest in common stocks of large capitalization companies and can be redeemed daily with no notice period required.

(b) These pooled separate accounts invest in common stocks of small to mid-sized companies and can be redeemed daily with no notice period required.

(c) These pooled separate accounts invest in large capitalization companies with their principal place of business outside of the U.S. and can be redeemed daily with no notice period required.

(d) These pooled separate accounts invest in equity, hybrid and fixed income funds according to asset allocation strategies designed for specific investment time horizons and can be redeemed on a daily basis with no notice period required.

(e) This pooled separate account invests in fixed income securities such as asset backed securities, residential mortgage backed securities, and commercial mortgage backed securities and corporate bonds. The investment can be redeemed on a daily basis with no notice period required.

(f) This is a common or collective trust (CCT) for which the net asset value (NAV) is based on the market value of its underlying investments which contain synthetic investment contracts. The CCT can be redeemed at NAV as of the measurement date on a daily basis.

## Note 5: Information Certified by the Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*. Accordingly, Principal Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments, at fair value, the adjustment from fair value to contract value for interest in common or collective trust relating to fully benefit-responsive investment contracts, and notes receivable from participants reflected on the accompanying statements of net assets available for benefits as of December 31, 2014 and 2013, the supplemental schedule of assets (held at end of year) as of December 31, 2014, and the investment income components, and interest income from participant notes receivable reflected in the statements of changes in net assets available for benefits for the years ended December 31, 2014 and 2013.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

## Note 6: Party-In-Interest Transactions

Certain plan investments are units in pooled separate accounts managed by Principal Life Insurance Company, a related party of Principal Trust Company. Principal Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees

paid by the Plan during 2014 and 2013 for legal, accounting and other professional services were rendered primarily by parties-in-interest.

## Note 7: Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, all participants would become 100% vested in their employer contributions.

## Note 8: Tax Status

The Plan received a favorable determination letter dated November 18, 2013, in which the Internal Revenue Service (IRS) stated that the Plan is in compliance with the applicable provisions of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

## Note 9: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2014 and 2013, to the Form 5500:

| | 2014 | 2013 |
|---|---|---|
| Net assets available for benefits per the Form 5500 | $ 173,635,846 | $ 151,725,164 |
| Adjustment from fair value to contract value for interest in common or collective trust relating to fully benefit-responsive investment contracts | (134) | (99,637) |
| Net assets available for benefits per the financial statements | $ 173,635,712 | $ 151,625,527 |

The following is a reconciliation of the increase in net assets available for benefits per the financial statements for the years ended December 31, 2014 and 2013, to the Form 5500:

| | 2014 | 2013 |
|---|---|---|
| Net increase per the Form 5500 | $ 21,910,682 | $ 39,501,845 |
| Net adjustment from fair value to contract value for interest in common or collective trust relating to fully benefit-responsive investment contracts | 99,503 | 243,690 |
| Net increase per the financial statements | $ 22,010,185 | $ 39,745,535 |

## Note 10: Reclassifications

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 financial statement presentation. These reclassifications had no effect on changes in net assets available for benefits.

## Note 11: Subsequent Events

On January 1, 2015, the Longview Fibre Paper and Packaging, Inc. Union Hourly 401(k) Plan and the Longview Fibre Paper and Packaging, Inc. Salaried 401(k) Plan were merged into the Plan. Additionally, effective January 1, 2015, Fidelity Management Trust Company became the record keeper and trustee for the Plan.

Plan management has evaluated subsequent events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

# Supplemental Schedule

# KapStone Paper and Packaging Corporation 401(k) Plan

## EIN 20-2699372 PN 001

## Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

## December 31, 2014

| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest Collateral, Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | | Common or collective trust | | |
| | Union Bond & Trust Company | Stable Value Fund | ** | $ 12,676 |
| | | Self-directed brokerage accounts | | |
| | | Registered investment companies | | |
| | Self-Directed Brokerage Account | Dodge & Cox Global Stock Fund | ** | 5,090 |
| | Self-Directed Brokerage Account | Federated Capital Reserves Fund | ** | 162,930 |
| | Self-Directed Brokerage Account | Fidelity Floating Rate High Income Fund | ** | 45,567 |
| | Self-Directed Brokerage Account | Fidelity Spartan International Index Fund | ** | 71,664 |
| | Self-Directed Brokerage Account | Vanguard FTSE All World Fund | ** | 72,246 |
| | | Common stocks | | |
| | Self-Directed Brokerage Account | Abbott Labs | ** | 4,907 |
| | Self-Directed Brokerage Account | Arcadia Res Inc. | ** | 4 |
| | Self-Directed Brokerage Account | AT&T Inc. | ** | 33,590 |
| | Self-Directed Brokerage Account | Baxter Intl Inc. | ** | 14,658 |
| | Self-Directed Brokerage Account | Benefitfocus Inc. | ** | 1,149 |
| | Self-Directed Brokerage Account | Breitburn Energy Partners L.P. | ** | 15,652 |
| | Self-Directed Brokerage Account | Chesapeake Energy Corp. | ** | 5,871 |
| | Self-Directed Brokerage Account | Clean Energy Fuels Corp. | ** | 799 |
| | Self-Directed Brokerage Account | Coca Cola Company | ** | 12,666 |
| | Self-Directed Brokerage Account | Dr. Pepper Snapple Group Inc. | ** | 21,504 |
| | Self-Directed Brokerage Account | Du Ponte E I De Nemours & Co | ** | 14,788 |
| | Self-Directed Brokerage Account | Duke Energy Corp. Newcom | ** | 2,924 |
| | Self-Directed Brokerage Account | E Trade Finl Corp | ** | 7,252 |
| | Self-Directed Brokerage Account | Elbit Medical Imaging Ltd | ** | 1,327 |
| | Self-Directed Brokerage Account | First Solar Inc. | ** | 4,460 |
| | Self-Directed Brokerage Account | Ford Motor Co Del | ** | 15,500 |
| | Self-Directed Brokerage Account | Freeseas Inc. | ** | 90 |
| | Self-Directed Brokerage Account | Fuelcell Energy Inc. | ** | 5,390 |
| | Self-Directed Brokerage Account | General Electric Company | ** | 80,763 |
| | Self-Directed Brokerage Account | General Mills Inc. | ** | 15,999 |
| | Self-Directed Brokerage Account | Geoglobal Res Inc. | ** | 651 |
| | Self-Directed Brokerage Account | Hewlett Packard Co | ** | 20,065 |
| | Self-Directed Brokerage Account | Intel Corp | ** | 36,290 |
| | Self-Directed Brokerage Account | Johnson & Johnson | ** | 10,457 |
| | Self-Directed Brokerage Account | JPMorgan Chase & Co | ** | 5,069 |
| | Self-Directed Brokerage Account | Kinder Morgan Inc. Del | ** | 24,328 |
| | Self-Directed Brokerage Account | Kraft Foods Group Inc. | ** | 6,266 |
| | Self-Directed Brokerage Account | Leggett & Platt Inc | ** | 12,783 |
| | Self-Directed Brokerage Account | Linnco LLC | ** | 134,810 |

# KapStone Paper and Packaging Corporation 401(k) Plan

## EIN 20-2699372 PN 001

## Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

## December 31, 2014

| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest Collateral, Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | | Common stocks | | |
| | Self-Directed Brokerage Account | Magellan Pete Corp. | ** | 910 |
| | Self-Directed Brokerage Account | Microsoft Corp. | ** | 11,613 |
| | Self-Directed Brokerage Account | Mondelez Intl Inc. | ** | 10,898 |
| | Self-Directed Brokerage Account | Navios Maritime Holdings Inc. | ** | 1,295 |
| | Self-Directed Brokerage Account | Netapp Inc. | ** | 1,658 |
| | Self-Directed Brokerage Account | New York Mtg Tr Inc. | ** | 30,840 |
| | Self-Directed Brokerage Account | Newlead Holdings Ltd. | ** | 3 |
| | Self-Directed Brokerage Account | Nordic American Tanker | ** | 9,274 |
| | Self-Directed Brokerage Account | Nordic American Offshore Ltd. | ** | 86 |
| | Self-Directed Brokerage Account | Nucor Corp. | ** | 14,715 |
| | Self-Directed Brokerage Account | Oclaro Inc. | ** | 16,910 |
| | Self-Directed Brokerage Account | Paychex Inc. | ** | 23,085 |
| | Self-Directed Brokerage Account | Pernix Therapeutics Holdings Inc. | ** | 826 |
| | Self-Directed Brokerage Account | Pfizer Inc. | ** | 12,460 |
| | Self-Directed Brokerage Account | Philip Morris Intl. Inc. | ** | 12,218 |
| | Self-Directed Brokerage Account | PIMCO Strategic Income Fund Inc. | ** | 4,025 |
| | Self-Directed Brokerage Account | Plug Power Inc. | ** | 510 |
| | Self-Directed Brokerage Account | Potash Corp of Saskatchewan Inc. | ** | 14,128 |
| | Self-Directed Brokerage Account | Procter & Gamble Co. | ** | 18,218 |
| | Self-Directed Brokerage Account | Select Sector Spdr Tr Energy | ** | 15,832 |
| | Self-Directed Brokerage Account | Seventy Seven Energy Inc. | ** | 114 |
| | Self-Directed Brokerage Account | Southern Co | ** | 14,733 |
| | Self-Directed Brokerage Account | Spdr S&P 500 ETF TR | ** | 30,831 |
| | Self-Directed Brokerage Account | Sprint Corp. | ** | 2,075 |
| | Self-Directed Brokerage Account | Tesla MTRS Inc. | ** | 5,560 |
| | Self-Directed Brokerage Account | Trinity Inds Inc. | ** | 5,602 |
| | Self-Directed Brokerage Account | Uranerz Energy Corp. | ** | 2,576 |
| | Self-Directed Brokerage Account | Walgreens Boots Alliance Inc. | ** | 15,240 |
| | Self-Directed Brokerage Account | Waste Mgmt Inc Del | ** | 15,396 |
| | | | | 1,159,140 |
| * | Participant loans | 4.25% - 6.00% interest | -0- | 9,688,121 |
| | | | | $ 10,859,937 |

* Party-in-interest.

** Cost information for participant-directed investment is not required.

## SCHEDULE H, Line 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

KAPSTONE PAPER AND PACKAGING CORPORATION 401(K) PLAN

EIN 20 2699372
PLAN NUMBER 001
PLAN YEAR 01/01/2014 TO 12/31/2014

| (A) | (B) Identity of issuer, borrower, lessor or similar party. | (C) Description of investment including maturity date, rate of interest, collateral, par or maturity value. | (D) Cost | (E) Current Value |
|---|---|---|---|---|
| | ABBOTT LABS | Corporate Stock - Common<br>ABBOTT LABS COM | $0.00 | $4,907.18 |
| | ARCADIA RES INC | Corporate Stock - Common<br>ARCADIA RES INC COM | $0.00 | $4.10 |
| | AT&T INC | Corporate Stock - Common<br>AT&T INC COM | $0.00 | $33,590.00 |
| | BAXTER INTL INC | Corporate Stock - Common<br>BAXTER INTL INC COM | $0.00 | $14,658.00 |
| | BENEFITFOCUS INC | Corporate Stock - Common<br>BENEFITFOCUS INC COM | $0.00 | $1,149.40 |
| | BREITBURN ENERGY PARTNERS L P | Corporate Stock - Common<br>BREITBURN ENERGY PARTNERS L P COM UNIT | $0.00 | $15,652.00 |
| | CHESAPEAKE ENERGY CORP | Corporate Stock - Common<br>CHESAPEAKE ENERGY CORP | $0.00 | $5,871.00 |
| | CLEAN ENERGY FUELS CORP | Corporate Stock - Common<br>CLEAN ENERGY FUELS CORP COM | $0.00 | $799.20 |
| | COCA COLA CO | Corporate Stock - Common<br>COCA COLA COMPANY | $0.00 | $12,666.00 |
| | DODGE & COX FDS | Registered Investment Company<br>DODGE & COX GLOBAL STOCK FUND | $0.00 | $5,090.37 |
| | DR PEPPER SNAPPLE GROUP INC | Corporate Stock - Common<br>DR PEPPER SNAPPLE GROUP INC COM | $0.00 | $21,504.00 |
| | DU PONT E I DE NEMOURS & CO | Corporate Stock - Common<br>DU PONT E I DE NEMOURS & CO COM | $0.00 | $14,788.00 |
| | DUKE ENERGY CORP NEW | Corporate Stock - Common<br>DUKE ENERGY CORP NEWCOM NEW | $0.00 | $2,923.90 |
| | E TRADE FINL CORP | Corporate Stock - Common<br>E TRADE FINL CORP COM NEW | $0.00 | $7,252.25 |

# SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

KAPSTONE PAPER AND PACKAGING CORPORATION 401(

EIN 20 2699372
PLAN NUMBER 001
PLAN YEAR 01/01/2014 TO 12/31/2014

| (A) | (B) Identity of issuer, borrower, lessor or similar party. | (C) Description of investment including maturity date, rate of interest, collateral, par or maturity value. | (D) Cost | (E) Current Value |
|---|---|---|---|---|
| | ELBIT MEDICAL IMAGING LTD | Corporate Stock - Common<br>ELBIT IMAGING LTD SHS NEW ISIN#IL0010811 | $ 0.00 | $ 1,327.20 |
| | FEDERATED INVESTORS, INC. | Registered Investment Company<br>FEDERATED CAPITAL RESERVES | $ 0.00 | $ 162,929.57 |
| | FIDELITY ADVISOR SER II | Registered Investment Company<br>FIDELITY FLOATING RATE HIGH INCOME FUND | $ 0.00 | $ 45,567.21 |
| | FIDELITY CONCORD STR TR | Registered Investment Company<br>FIDELITY SPARTAN INTERNATIONAL INDEX FUN | $ 0.00 | $ 71,663.61 |
| | FIRST SOLAR INC | Corporate Stock - Common<br>FIRST SOLAR INC COM | $ 0.00 | $ 4,459.50 |
| | FORD MTR CO DEL | Corporate Stock - Common<br>FORD MOTOR CO DEL COM PAR | $ 0.00 | $ 15,500.00 |
| | FREESEAS INC | Corporate Stock - Common<br>FREESEAS INC SHS PAR NOV 2013 ISIN#MHY26 | $ 0.00 | $ 90.00 |
| | FUELCELL ENERGY INC | Corporate Stock - Common<br>FUELCELL ENERGY INC COM | $ 0.00 | $ 5,390.00 |
| | GENERAL ELEC CO | Corporate Stock - Common<br>GENERAL ELECTRIC CO COM | $ 0.00 | $ 80,762.92 |
| | GENERAL MLS INC | Corporate Stock - Common<br>GENERAL MILLS INC COM | $ 0.00 | $ 15,999.00 |
| | GEOGLOBAL RES INC | Corporate Stock - Common<br>GEOGLOBAL RES INC COM | $ 0.00 | $ 651.46 |
| | HEWLETT PACKARD CO | Corporate Stock - Common<br>HEWLETT PACKARD CO COM | $ 0.00 | $ 20,065.00 |
| | INTEL CORP | Corporate Stock - Common<br>INTEL CORP COM | $ 0.00 | $ 36,290.00 |
| | JOHNSON & JOHNSON | Corporate Stock - Common<br>JOHNSON & JOHNSON COM | $ 0.00 | $ 10,457.00 |
| | JPMORGAN CHASE & CO | Corporate Stock - Common<br>JP MORGAN CHASE & CO COM ISIN#US46625H10 | $ 0.00 | $ 5,068.98 |

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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# SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

KAPSTONE PAPER AND PACKAGING CORPORATION 401(

EIN 20 2699372
PLAN NUMBER 001
PLAN YEAR 01/01/2014 TO 12/31/2014

| (A) | (B) Identity of issuer, borrower, lessor or similar party. | (C) Description of investment including maturity date, rate of interest, collateral, par or maturity value. | (D) Cost | (E) Current Value |
|---|---|---|---|---|
| | KINDER MORGAN INC DEL | Corporate Stock - Common<br>KINDER MORGAN INC DEL COM | $ 0.00 | $ 24,328.25 |
| | KRAFT FOODS GROUP INC | Corporate Stock - Common<br>KRAFT FOODS GROUP INC COM | $ 0.00 | $ 6,266.00 |
| | LEGGETT & PLATT INC | Corporate Stock - Common<br>LEGGETT & PLATT INC | $ 0.00 | $ 12,783.00 |
| | LINNCO LLC | Corporate Stock - Common<br>LINNCO LLC COM SHS REPSTG LTD LIABILITYI | $ 0.00 | $ 134,810.00 |
| | MAGELLAN PETE CORP | Corporate Stock - Common<br>MAGELLAN PETE CORP | $ 0.00 | $ 910.00 |
| | MICROSOFT CORP | Corporate Stock - Common<br>MICROSOFT CORP COM | $ 0.00 | $ 11,612.50 |
| | MONDELEZ INTL INC | Corporate Stock - Common<br>MONDELEZ INTL INC CLA | $ 0.00 | $ 10,897.50 |
| | NAVIOS MARITME HLDGS INC | Corporate Stock - Common<br>NAVIOS MARITME HLDGSINC COM ISIN#MHY6219 | $ 0.00 | $ 1,294.65 |
| | NETAPP INC | Corporate Stock - Common<br>NETAPP INC COM | $ 0.00 | $ 1,658.00 |
| | NEW YORK MTG TR INC | Corporate Stock - Common<br>NEW YORK MTG TR INC COM PAR | $ 0.00 | $ 30,840.00 |
| | NEWLEAD HOLDINGS LTD | Corporate Stock - Common<br>NEWLEAD HOLDINGS LTDSHS PAR $0.50 NEW I$ | $ 0.00 | $ 3.24 |
| | NORDIC AMERICAN TANKER | Corporate Stock - Common<br>NORDIC AMERICAN TANKERS LTD SHS ISIN#BMG | $ 0.00 | $ 9,274.47 |
| | NORDIC AMERICAN OFFSHORE LTD | Corporate Stock - Common<br>NORDIC AMERN OFFSHORE LTD SHS ISIN#MHY63 | $ 0.00 | $ 85.96 |
| | NUCOR CORP | Corporate Stock - Common<br>NUCOR CORP COM | $ 0.00 | $ 14,715.00 |
| | OCLARO INC | Corporate Stock - Common<br>OCLARO INC COM NEW | $ 0.00 | $ 16,910.00 |

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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# SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

KAPSTONE PAPER AND PACKAGING CORPORATION 401(

EIN 20 2699372
PLAN NUMBER 001
PLAN YEAR 01/01/2014 TO 12/31/2014

| (A) | (B) Identity of issuer, borrower, lessor or similar party. | (C) Description of investment including maturity date, rate of interest, collateral, par or maturity value. | (D) Cost | (E) Current Value |
|---|---|---|---|---|
| * | Union Bond & Trust Company | Common/Collective Trust Principal Stable Value Select | $ 0.00 | $ 12,676.00 |
| | PAYCHEX INC | Corporate Stock - Common PAYCHEX INC COM | $ 0.00 | $ 23,085.00 |
| | PERNIX THERAPEUTICS HLDGS INC | Corporate Stock - Common PERNIX THERAPEUTICS HLDGS INC COM | $ 0.00 | $ 826.32 |
| | PFIZER INC | Corporate Stock - Common PFIZER INC COM | $ 0.00 | $ 12,460.00 |
| | PHILIP MORRIS INTL INC | Corporate Stock - Common PHILIP MORRIS INTL INC COM | $ 0.00 | $ 12,217.50 |
| | PIMCO STRATEGIC INCOME FD | Corporate Stock - Common PIMCO STRATEGIC INCOME FD INC COM | $ 0.00 | $ 4,024.75 |
| | PLUG PWR INC | Corporate Stock - Common PLUG PWR INC COM NEW | $ 0.00 | $ 510.00 |
| | POTASH CORP SASK INC | Corporate Stock - Common POTASH CORP OF SASKATCHEWAN INC COM ISIN | $ 0.00 | $ 14,128.00 |
| | PROCTER & GAMBLE CO | Corporate Stock - Common PROCTER & GAMBLE CO COM | $ 0.00 | $ 18,218.00 |
| | SELECT SECTOR SPDR TR | Corporate Stock - Common SELECT SECTOR SPDR TR ENERGY | $ 0.00 | $ 15,832.00 |
| | SEVENTY SEVEN ENERGY INC | Corporate Stock - Common SEVENTY SEVEN ENERGYINC COM | $ 0.00 | $ 113.61 |
| | SOUTHERN CO | Corporate Stock - Common SOUTHERN CO COM | $ 0.00 | $ 14,733.00 |
| | SPDR S&P 500 ETF TR | Corporate Stock - Common SPDR S&P 500 ETF TR TR UNIT | $ 0.00 | $ 30,831.00 |
| | SPRINT CORP | Corporate Stock - Common SPRINT CORP COM SER 1 | $ 0.00 | $ 2,075.00 |
| | TESLA MTRS INC | Corporate Stock - Common TESLA MTRS INC COM | $ 0.00 | $ 5,560.25 |

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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# SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

KAPSTONE PAPER AND PACKAGING CORPORATION 401(

EIN 20 2699372
PLAN NUMBER 001
PLAN YEAR 01/01/2014 TO 12/31/2014

| (A) | (B) Identity of issuer, borrower, lessor or similar party. | (C) Description of investment including maturity date, rate of interest, collateral, par or maturity value. | (D) Cost | (E) Current Value |
|---|---|---|---|---|
| | TRINITY INDS INC | Corporate Stock - Common<br>TRINITY INDS INC COM | $ 0.00 | $ 5,602.00 |
| | URANERZ ENERGY CORP | Corporate Stock - Common<br>URANERZ ENERGY CORP COM | $ 0.00 | $ 2,576.00 |
| | VANGUARD INTL EQUITY INDEX FDS | Registered Investment Company<br>VANGUARD FTSE ALL WORLD FUND | $ 0.00 | $ 72,245.90 |
| | WALGREENS BOOTS ALLIANCE INC | Corporate Stock - Common<br>WALGREENS BOOTS ALLIANCE INC COM | $ 0.00 | $ 15,240.00 |
| | WASTE MGMT INC DEL | Corporate Stock - Common<br>WASTE MGMT INC DEL COM | $ 0.00 | $ 15,396.00 |
| | Participant Loans | Range of Interest Rates<br>Rates Range From 4.25% To 6.00% | $ 0.00 | $ 9,688,121.00 |
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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)