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

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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 (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
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.	10/10/2016	JEFFREY ZROBACK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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)

Preparer's telephone number

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**	2976
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)**	2829
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	4409
b	Retired or separated participants receiving benefits	**6b**	44
c	Other retired or separated participants entitled to future benefits	**6c**	771
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	5224
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	4
f	Total. Add lines **6d** and **6e**.	**6f**	5228
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	4980
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	69
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)

(1)	[X]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[X]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(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)	[ ]	0	**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 2015 Form M-1 annual report. If the plan was not required to file the 2015 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 C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2015** **This Form is Open to Public Inspection.**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

FIDELITY INV INST OPS CO

04-2647786

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

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

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)

FID INV INST OPS CO

04-2647756

(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?
37 64 65 71	RECORDKEEPER	357216	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(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	56250	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

GRANT THORNTON LLP

36-6055558

(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?
10	ACCOUNTANT	37911	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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)

(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 ☐

(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
FID INV INST OPS CO INC.	60	0

(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.
BLKRK STR INC OPP IS-BNY MELLON INV PO BOX 9793 PROVIDENCE, RI 02940	0.15%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FID INV INST OPS CO INC.	60	0

(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.
CORTINA SMCP GRTH I-ALPS FD SER INC 20-3247785	0.15%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FID INV INST OPS CO INC.	60	0

(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.
DODGE & COX INTL STK - BOS FIN DATA PO BOX 8480 BOSTON, MA 02266	0.10%

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
FID INV INST OPS CO INC.	60	0

(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.
DREY RESEARCH GRTH I - DREYFUS TRAN 200 PARK AVENEU NEW YORK, NY 10166	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FID INV INST OPS CO INC.	60	0

(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.
GS SM CAP VALUE INST-GOLDMAN, SACHS 13-5108880	0.10%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FID INV INST OPS CO INC.	60	0

(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.
HARBOR INTL GRTH IS-HARBOR SER GR I 34-1953399	0.10%

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
FID INV INST OPS CO INC.	60	0

(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.
DOUBLELINE TOTAL RT BOND FD CL N	777 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FID INV INST OPS CO INC.	60	0

(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.
DOUBLELINE LOW DURATION CL N	777 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FID INV INST OPS CO INC.	60	0

(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.
METWEST UNCONSTRAINED BOND M	865 SOUTH FIGUEROA ST. #1400 LOS ANGELES, CA 90017	0.40%

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
FID INV INST OPS CO INC.	60	0

(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.
PFG TACTICAL FUND INVESTOR CLASS 777 108TH AVE NE STE 2100 BELLEVUE, WA 98004	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FID INV INST OPS CO INC.	60	0

(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.
PFG STRATEGIC CONSERVATIVE INVST 777 108TH AVE NE STE 2100 BELLEVUE, WA 98004	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FID INV INST OPS CO INC.	60	0

(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.
PFG INTERNATIONAL FUND INVESTOR CL 777 108TH AVE NE STE 2100 BELLEVUE, WA 98004	0.40%

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
FID INV INST OPS CO INC.	60	0

(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.
PFG EXPLORER FUND INVESTOR CLASS 777 108TH AVE NE STE 2100 BELLEVUE, WA 98004	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FID INV INST OPS CO INC.	60	0

(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.
PFG CORE EQUITY FUND INVESTOR 777 108TH AVE NE STE 2100 BELLEVUE, WA 98004	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FID INV INST OPS CO INC.	60	0

(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.
PACIFIC FINANCIAL DYNAMIC ALLOC INV 777 108TH AVE NE STE 2100 BELLEVUE, WA 98004	0.40%

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
FID INV INST OPS CO INC.	60	0

(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.
THE OSTERWEIS STRATEGIC INCOME FD 777 E. WISCONSIN AVE 4TH FL MILWAUKEE, WI 53202	16

(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

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(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

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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: VANGUARD TARGET RETIRE INC TRUST

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST 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)
90-6083967-001	C	4756621

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2010 TRUST

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST 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)
90-6083954-001	C	5139501

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2015 TRUST

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST 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)
90-6083984-001	C	13663660

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2020 TRUST

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST 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)
90-6083982-001	C	58103920

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2025 TRUST

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST 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)
90-6083980-001	C	22217138

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2030 TRUST

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST 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)
90-6083978-001	C	49123172

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2035 TRUST

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST 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)
90-6083976-001	C	11771033

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2040 TRUST			
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY			
c EIN-PN 90-6083974-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	18535195
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2045 TRUST			
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY			
c EIN-PN 90-6083972-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	4007718
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2050 TRUST			
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY			
c EIN-PN 90-6083970-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	8255489
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2055 TRUST			
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY			
c EIN-PN 27-6715091-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	1168560
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RETIRE 2060 TRUST			
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY			
c EIN-PN 45-3799736-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	975725
a Name of MTIA, CCT, PSA, or 103-12 IE: VFTC RETIREMENT SAVINGS TRUST II			
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY			
c EIN-PN 23-2186884-023	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	41642979
a Name of MTIA, CCT, PSA, or 103-12 IE: NT COLL S&P 500 INDEX FUND-DC-NON L			
b Name of sponsor of entity listed in (a): NORTHERN TRUST GLOBAL INVESTEMENT			
c EIN-PN 45-6138589-002	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	42861286
a Name of MTIA, CCT, PSA, or 103-12 IE: DIVERSIFIED REAL ASSET CIT			
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY			
c EIN-PN 46-0743367-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	1205179
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)	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

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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	157974490	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	4725713	6030388
(2) Participant contributions	1b(2)	75706	0
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)		
(B) Common	1c(4)(B)	801643	1835851
(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)	9688121	14506457
(9) Value of interest in common/collective trusts	1c(9)	12676	283427177
(10) Value of interest in pooled separate accounts	1c(10)		
(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)	357497	61676336
(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	173635846	367476209
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	22672
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	22672
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	173635846	367453537

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)	20161152	
(B) Participants	2a(1)(B)	24412350	
(C) Others (including rollovers)	2a(1)(C)	3236723	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		47810225
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	547514	
(F) Other	2b(1)(F)	780335	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		1327849
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	37140	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2575066	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		2612206
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	1516168	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1585219	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-69051
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-952602	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-952602

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-649268
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-3835676
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		46243683
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	33425512	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		33425512
f Corrective distributions (see instructions)	2f		23716
g Certain deemed distributions of participant loans (see instructions)	2g		4334
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	66574	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	27587	
(4) Other	2i(4)	347744	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		441905
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		33895467
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		12348216
l Transfers of assets:			
(1) To this plan	2l(1)		181469475
(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)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: GRANT THORNTON **(2)** EIN: 36-6055558

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	N/A	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	N/A	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			
o	Did the plan trust incur unrelated business taxable income?	4o				
p	Were in-service distributions made during the plan year?	4p				

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

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

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

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

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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): 04-6568107

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):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

Financial Statements and Report of Independent Certified Public Accountants

KapStone Paper and Packaging Corporation 401(k) Plan

December 31, 2015 and 2014

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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To the Participants and Administrator of
KapStone Paper and Packaging Corporation 401(k) Plan

Report on the financial statements

We were engaged to audit the accompanying financial statements of the KapStone Paper and Packaging Corporation 401(k) Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2015, and 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 controls 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 the 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 certified information described in Note 5, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained certifications from this entity as of December 31, 2015 and 2014, and for the years then ended, stating that the certified information provided to the Plan administrator is complete and accurate.

Grant Thornton

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 these financial statements.

Supplementary information

The supplemental Schedule of Assets (Held at End of Year) at December 31, 2015 is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. 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.

Other matter

The financial statements of the Plan as of and for the year ended December 31, 2014 were audited by other auditors. 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 ("ERISA"), the plan administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the certified information. Their report, dated August 11, 2015, indicated that because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, and accordingly, they did not express an opinion on the financial statements, and the form and content of the information included in the financial statements, other than that derived from the certified information, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA

Report on form and content in compliance with DOL rules and regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the certified information described in Note 5, 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.

Grant Thornton LLP

Portland, Oregon
September 29, 2016

KapStone Paper and Packaging Corporation.
401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	2015	2014
ASSETS		
Non-interest bearing cash	$ -	$ 157,974,490
Investments:		
Mutual funds	61,676,336	-
Common or collective trusts	283,427,177	12,676
Self-directed brokerage accounts	1,835,851	1,159,140
Total investments	346,939,364	1,171,816
Receivables:		
Participant contributions	-	75,706
Employer contributions	6,030,388	4,725,713
Notes receivable from participants	14,506,457	9,688,121
Total receivables	20,536,845	14,489,540
Total assets	367,476,209	173,635,846
LIABILITIES		
Excess contributions due to participants	22,672	-
Net assets available for benefits, at fair value	367,453,537	173,635,846
Adjustment from fair value to contract value for interest in common or collective trust relating to fully benefit responsive investment contracts	-	(134)
Net assets available for benefits	$ 367,453,537	$ 173,635,712

The accompanying notes are an integral part of these financial statements.

KapStone Paper and Packaging Corporation
401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31,

	2015	2014
Additions:		
Investment income (expense):		
Net appreciation (depreciation) in fair value of investments	$ (5,506,463)	$ 8,058,751
Dividends and interest	3,392,541	225,386
Net investment income (expense)	(2,113,922)	8,284,137
Interest income on notes receivable from participants	547,514	376,763
Contributions:		
Participants	24,412,350	13,922,144
Employer	20,161,152	12,461,091
Rollovers	3,236,723	2,146,933
Transfers into the Plan due to merger	181,469,475	-
Total contributions	229,279,700	28,530,168
Total additions	227,713,292	37,191,068
Deductions:		
Benefits paid to participants	33,449,228	15,010,501
Administrative expenses	441,905	170,382
Deemed distributions	4,334	-
Total deductions	33,895,467	15,180,883
Increase in net assets	193,817,825	22,010,185
Net assets available for benefits		
Beginning of year	173,635,712	151,625,527
End of year	$367,453,537	$173,635,712

The accompanying notes are an integral part of these financial statements.

KapStone Paper and Packaging Corporation
401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

Note 1 – Plan Description

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

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

Each employee shall become a participant of the Plan upon meeting eligibility for non-elective employer contributions and upon meeting eligibility and completing a contribution election for elective employee contributions. If an employee election is received prior to the date automatic enrollment would otherwise be effective, the employee shall become a participant as soon as administratively possible, generally on the first day of the first payroll period that begins after the date the election is received. If an eligible employee does not complete an election, or opts out of the Plan's automatic enrollment feature, he or she will automatically be enrolled in the Plan after 30 days of eligibility and become a participant in the Plan as soon as administratively possible. Automatic enrollment generally starts no later than 45 days from an employee's eligibility date.

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 through December 31, 2014, at which time the plans merged into the KapStone Paper and Packaging Corporation 401(k) Plan. On January 1, 2015, $82,196,773 and $99,272,702 in assets transferred from 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, respectively.

Effective January 1, 2015, the Plan changed its record keeper and trustee to Fidelity Management Trust Company ("Fidelity"). Plan assets at December 31, 2014, were in-transit and held in a non-interest bearing cash account until the transfer was recognized by Fidelity in 2015.

Investment of Plan Assets
Upon enrollment in the Plan, a participant may direct contributions in whole percentage increments into the following funds:

Stock Investments
- Dreyfus Research Growth Fund, Inc. Class I
- Northern Trust S&P 500 Index Fund – DC – Non-lending – Tier Two
- Vanguard Windsor II Fund Admiral Shares
- Cortina Small Cap Growth Fund
- Goldman Sachs Small Cap Value Fund Institutional
- American Funds New Perspective Fund Class R-6
- DFA Emerging Markets Core Equity Portfolio Institutional Class
- Dodge & Cox International Stock Fund
- Harbor International Growth Fund Institutional Class

Note 1 – Plan Description (continued)

Blended Fund Investments

- Principal Diversified Real Asset CIT Tier 1
- Vanguard Target Retirement 2010 Trust II
- Vanguard Target Retirement 2015 Trust II
- Vanguard Target Retirement 2020 Trust II
- Vanguard Target Retirement 2025 Trust II
- Vanguard Target Retirement 2030 Trust II
- Vanguard Target Retirement 2035 Trust II
- Vanguard Target Retirement 2040 Trust II
- Vanguard Target Retirement 2045 Trust II
- Vanguard Target Retirement 2050 Trust II
- Vanguard Target Retirement 2055 Trust II
- Vanguard Target Retirement 2060 Trust II
- Vanguard Target Retirement Income Trust II

Bond Investments

- Vanguard Retirement Savings Trust II
- BlackRock Strategic Income Opportunities Portfolio Institutional Shares
- Janus Flexible Bond Fund Class N

Participants have the option of having self-directed brokerage accounts for which they may choose to buy common stock and/or mutual funds.

Contributions

Each year, participants may contribute up to 100 percent of their eligible compensation as contributions, as defined by the Plan. Participants may also deposit amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Unless directed otherwise, contributions are invested by default in the Vanguard Target Retirement Trust fund for the year nearest the year in which the participant will attain age 65. Contributions are subject to limitations established in the Internal Revenue Code ("IRC") Section 415(c). Additionally, the Tax Reform Act of 1986 limits annual amounts deferred by participants under all combined pre-tax and Roth 401k deferral arrangements to $18,000 for taxable year 2015. Participants age 50 and over are eligible to contribute an additional $6,000 for the 2015 tax year. The Company may make matching contributions and non-elective Retirement Savings Account ("RSA") contributions as follows:

- For salaried and non-bargained hourly employees, the Company may match 100% of the first 4% plus 50% of the next 4% of employee contributions (up to 6% of eligible compensation) and an RSA of 3% of base pay, with certain grandfathered employees receiving an additional 1% or 2% through the 2019 plan year.
- For Roanoke Rapids bargaining employees, the Company may match 100% of the first 3% plus 50% of the next 3% of employee contributions (up to 4.5% of eligible compensation).
- For Charleston bargaining employees, the Company may match 100% of the first 3% plus 50% of the next 2% of employee contributions (up to 4% of eligible compensation).

Note 1 – Plan Description (continued)

- For Amsterdam, Twin Cities, and Mesquite bargaining employees, the Company may match 50% of the first 6% of employee contributions (up to 3% of eligible compensation).
- For Cedar Rapids bargaining employees, the Company may match 50% of the first 6% of employee contributions (up to 3% of eligible compensation) and an additional RSA of $0.10 per hour, up to 40 hours per week.
- For Springfield bargaining employees, the Company may match 50% of the first 2% of employee contributions with an annual match limit of $500. Effective October 26, 2015 the Company may match 50% of the first to 4% of employee contributions with an annual match limit of $900.
- For Bowling Green bargaining employees, the Company may match 50% of the first 6% of employee contributions with an annual match limit of $600. Effective March 1, 2015, the annual match limit was eliminated (up to 3% of eligible compensation).
- For Longview bargaining employees, the Company may match 50% of the first 4% of employee contributions (up to 2% of eligible compensation). Effective August 31, 2015, the Company may match 100% of the first 3% of employee contributions (up to 3% of eligible compensation) and an additional RSA of 3% of salary for those employees hired prior to January 1, 2011 and 2% of salary for those employees hired after January 1, 2011. Effective August 31, 2015, the RSA was changed to 3% of salary for all employee regardless of their hire date.
- For Seattle bargaining employees, the Company may match 40% of the first 4% of employee contributions (up to 1.6% of eligible compensation) and an additional RSA of 3% of salary for those employees hired prior to January 1, 2011 and 2% of salary for those employees hired after January 1, 2011.
- For Oakland, Twin Falls and Yakima bargaining employees, the Company may match 50% of the first 100% of employee contributions with an annual match limit of $800.

Participant Accounts
Each participant's account is credited with the participant's contribution, the Company's contributions and investment earnings, as well as charged with an allocation of administrative expenses. Allocations are based on the value of a participants account balance. 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 and fully vested in their contributions, including 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 service as follows:

Years of Service	**Percentage**
Less than 1 year	0%
1 to 2 years	34%
2 to 3 years	67%
3 or more years	100%

Note 1 – Plan Description (continued)

Vesting in the matching and the RSA portions of participant's accounts, including earnings thereon, for bargaining employees at the Roanoke Rapids, Longview, Seattle, Oakland, Twin Falls and Yakima locations and the RSA for all salaried and non-bargained hourly employees is based on years of service as follows:

Years of Service	**Percentage**
Less than 3 years	0%
3 or more years	100%

In addition, the Plan provides for full vesting of the Company's contributions, including earnings thereon, upon retirement, death or permanent and total disability. Normal retirement age is 65.

If a participant who is not fully vested terminates employment and returns to service after a break of five years or more, the value of the Company's unvested contributions credited to the participant's account prior to termination of employment is permanently forfeited. A participant who terminates employment, but returns to service after a break in service of less than five years, may be entitled to restoration of the forfeited balance. Reinstated amounts will be invested in the participant's current investment elections, if available, or in the Plan default fund.

Notes Receivable from Participants
Participants may borrow from their account a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. 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. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with current interest rates used by the lending industry. The interest rates for outstanding loans range from 3.25% to 8.25% at December 31, 2015. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits
If a participant's account balance exceeds $5,000 upon termination, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or quarterly installments over a period not to exceed the life expectancy of the participant and his beneficiary. If upon termination, a participant's account balance does not exceed $5,000, the balance may only be distributed in the form of a single lump-sum distribution. A lump-sum withdrawal may also be made by an active employee upon attainment of age 59-1/2 or in the event of hardship. Withdrawal requests for financial hardship are limited to the amount of a participant's fully vested account balance.

Forfeited Accounts
As of December 31, 2015 and 2014, the Plan had amounts totaling $89,788 and $39,500 respectively, representing forfeited, non-vested amounts resulting from employee terminations. These amounts were allocated back into the Plan subsequent to employee termination, and will be used to restore accounts of rehired former participants, pay Plan fees and expenses, or to reduce future matching contributions

Note 1 – Plan Description (continued)

Fees and Expenses
The Plan provides that the administrative costs and expenses of the Plan, including trustee and management fees, are paid through revenue sharing, participants' accounts, the forfeitures account, and by the Company. Fees for participant loans are paid by the participants receiving the loans.

Note 2 – Summary of Accounting Policies

Basis of Accounting
The financial statements of the Plan are prepared under the accrual method of accounting.

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 Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

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 assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition
Except for the Plan's investments in common or collective trusts, investments and changes in net assets are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. The net appreciation in the fair value of investments consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments held by the Plan. See Note 8 for further discussion of fair value measurements.

Investments in common or collective trusts ("CCTs") are stated at net asset value ("NAV"). At December 31, 2014, the Plan had a common or collective trust (Stable Value Fund) that was based on the market value of its underlying investments which contained synthetic investment contracts. This trust was not continued as part of the Plan merger and service provider change as described in Note 1.

The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the CCT investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Note 2 – Summary of Accounting Policies (continued)

Notes Receivable from Participants
Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2015 or 2014. Delinquent loans are reclassified as distributions based upon the terms of the Plan document.

Recent Accounting Pronouncements
In May 2015, the Financial Accounting Standards Board ("FASB") issue Accounting Standards Update ("ASU") No. 2015-07, *Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent),* which exempts investments measured using the NAV practical expedient in Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, from categorization within the fair value hierarchy. The guidance requires retrospective application and is effective for pubic business entities for fiscal years, and interim periods within those years, beginning after December 15, 2015 with early adoption permitted. Management elected to early adopt the provisions in this new standard. The adoption had no effect on the Plan's change in net assets available for benefits or net assets available for benefits previously reported. However, to conform to this new presentation, investments for which fair value was measured using a NAV practical expedient have been removed from the fair value hierarchy in Note 8 as of December 31, 2014.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965): Part (I) Fully Benefit-Responsive Investment Contracts, Part (II) Plan Investment Disclosures, Part (III) Measurement Date Practical Expedient.* This three-part standard simplifies employee benefit plan reporting with respect to fully benefit-responsive investment contracts and plan investment disclosures, and provides for a measurement-date practical expedient. Parts I and II are effective for fiscal years beginning after December 15, 2015 and should be applied retrospectively, with early application permitted. Part III is effective for fiscal years beginning after December 15, 2015 and should be applied prospectively, with early application permitted. Management has not elected to early adopt the provisions in this new standard.

Reclassification
Certain account balances from prior year have been reclassified to conform to current year classifications.

Note 3 – Risks and Uncertainties

The Plan provides investment options in various combinations of investment securities. Investment securities are exposed to various risks including, but not limited to, interest rates, market conditions and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

Note 4 – Investments

The following presents investments that represent 5 percent or more of the Plan's net assets:

	2015	2014
Vanguard Target Retirement 2020 Trust II	$ 58,103,921	$ -
Vanguard Target Retirement 2030 Trust II	49,123,172	-
Northern Trust S&P 500 Index Fund	42,861,286	-
Vanguard Retirement Savings Trust II	41,642,979	-
Vanguard Target Retirement 2025 Trust II	22,217,138	-
Vanguard Target Retirement 2040 Trust II	18,535,195	-

Note 5 – Certified Information

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Accordingly, Principal Trust Company, the trustee of the Plan, from January 1, 2014 through December 31, 2014, and Fidelity Management Trust Company, the trustee of the Plan from January 1, 2015 through December 31, 2015, have certified that the following data included in the accompanying financial statements and supplemental schedules are complete and accurate:

- Investments and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2015 and 2014.
- Net investment income (expense) and interest income on notes receivable from participants, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2015 and 2014.
- Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2015.

The Plan's independent certified public accountants 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 – Related Party Transactions

Certain Plan investments are shares in self-directed brokerage accounts managed by Fidelity Management Trust Company (the "Trustee"). Fidelity Management Trust Company is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. Fees paid to the Trustee by the Plan were $357,216 for the year ended December 31, 2015.

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, participants would become 100 percent vested in their employer contributions.

Note 8 – Fair Value Measurements

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of 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. Investments classified within level 3 whose fair value measurements consider several inputs may include level 1 or level 2 inputs as components of the overall fair value measurement.

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, 2015 and 2014.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Note 8 – Fair Value Measurements (continued)

Common or collective trusts: Valued at the NAV of units of a collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investment held by the fund less its liabilities. This practice expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Self-directed brokerage accounts: 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.

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 tables sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015 and 2014:

2015

Asset	Level 1	Level 2	Level 3	Total
Mutual funds:				
Bond funds	$ 11,706,749	$ -	$ -	$ 11,706,749
Domestic stock funds	36,822,681	-	-	36,822,681
International stock funds	13,146,906	-	-	13,146,906
Total mutual funds	61,676,336	-	-	61,676,336
Self-directed brokerage accounts:				
Common stock	1,095,788	-	-	1,095,788
Interest bearing cash	414,570	-	-	414,570
Fidelity funds	134,274	-	-	134,274
External funds	119,583	-	-	119,583
Unit	29,636	-	-	29,636
Non interest bearing cash	42,000	-	-	42,000
Total Self-directed brokerage accounts	1,835,851	-	-	1,835,851
Total	$ 63,512,187	$ -	$ -	$ 63,512,187
Investments measured at NAV				283,427,177
Total investments at fair value				$ 346,939,364

Note 8 – Fair Value Measurements (continued)

	2014			
Asset	**Level 1**	**Level 2**	**Level 3**	**Total**
Self-directed brokerage accounts:				
Registered investment companies	$ 357,497	$ -	$ -	$ 357,497
Common stocks	801,643	-	-	801,643
Total	$ 1,159,140	$ -	$ -	$ 1,159,140
Investments measured at NAV				12,676
Total investments at fair value				$ 1,171,816

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2015 and 2014, respectively.

Year	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2015				
Collective trust funds	$283,427,177	None	Daily	None
December 31, 2014				
Collective trust funds	$12,542	None	Daily	None

Note 9 – Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated September 6, 2012 that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America required 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 be sustained upon examination by the Internal Revenue Service ("IRS"). The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, 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 tax 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 the years prior to 2012.

Note 10 – Plan Amendments

Plan amendments effective for the year ending December 31, 2015 were incorporated in the Plan description in Note 1.

Note 11 – Subsequent Events

Subsequent events have been evaluated through September 29, 2016, the date of the independent certified public accountant report noting no additional matters that require disclosure or adjustment to the financial statements, except as described below.

Effective March 11, 2016, the Company suspended matching contributions and the 2016 RSA contribution to the Plan for salaried and non-bargained hourly employees. In August 2016, the Company reinstated both the matching contributions and RSA effective January 1, 2017.

SUPPLEMENTAL SCHEDULES

KapStone Paper and Packaging Corporation
401(k) Plan

FORM 5500 SCHEDULE H, LINE 4i - SCHEDULE OF ASSET (HELD AT YEAR END)

December 31, 2015

(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
	Mutual Funds	DFA Emerging Markets Core Equity Portfolio Institutional Class	**	$ 2,699,174
	Mutual Funds	Harbor International Growth Fund Institutional Class	**	3,107,094
	Mutual Funds	Cortina Small Cap Growth Fund	**	8,651,831
	Mutual Funds	Vanguard Windsor II Fund Admiral Shares	**	7,937,941
	Mutual Funds	Dodge & Cox International Stock Fund	**	1,992,342
	Mutual Funds	Goldman Sachs Small Cap Value Fund Institutional	**	10,794,130
	Mutual Funds	American Funds New Perspective Fund Class R-6	**	5,348,296
	Mutual Funds	Janus Flexible Bond Fund Class N	**	11,450,829
	Mutual Funds	Blackrock Strategic Income Opportunities Portfolio Institutional Shares	**	255,920
	Mutual Funds	Dreyfus Research Growth Fund, Inc. Class 1	**	9,438,779
	Total Mutual Funds			61,676,336
	Common or Collective Trust	Northern Trust S&P 500 Index Fund	**	42,861,286
	Common or Collective Trust	Principal Diversified Real Asset CIT Tier 1	**	1,205,179
	Common or Collective Trust	Vanguard Target Retirement Income Trust II	**	4,756,621
	Common or Collective Trust	Vanguard Target Retirement 2010 Trust II	**	5,139,501
	Common or Collective Trust	Vanguard Target Retirement 2015 Trust II	**	13,663,660
	Common or Collective Trust	Vanguard Target Retirement 2020 Trust II	**	58,103,921
	Common or Collective Trust	Vanguard Target Retirement 2025 Trust II	**	22,217,138
	Common or Collective Trust	Vanguard Target Retirement 2030 Trust II	**	49,123,172
	Common or Collective Trust	Vanguard Target Retirement 2035 Trust II	**	11,771,033
	Common or Collective Trust	Vanguard Target Retirement 2040 Trust II	**	18,535,195
	Common or Collective Trust	Vanguard Target Retirement 2045 Trust II	**	4,007,718
	Common or Collective Trust	Vanguard Target Retirement 2050 Trust II	**	8,255,489
	Common or Collective Trust	Vanguard Target Retirement 2055 Trust II	**	1,168,560
	Common or Collective Trust	Vanguard Target Retirement 2060 Trust II	**	975,725
	Common or Collective Trust	Vanguard® Retirement Savings Trust II	**	41,642,979
	Total Common or Collective Trust			283,427,177
	* Self-directed brokerage accounts			1,835,851
	* Participant Loans	3.25% to 9.50% interest		14,506,457
				$ 361,445,821

* Party in interest

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

KapStone Paper and Packaging Corporation
401(k) Plan

FORM 5500 SCHEDULE H, LINE 4i - SCHEDULE OF ASSET (HELD AT YEAR END)

December 31, 2015

(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
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