

KAPSTONE PAPER AND PACKAGING CORPORATION

CHARTER OF THE COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors of KapStone Paper and Packaging Corporation (the “Committee”) shall be composed entirely of directors who meet the independence requirements of the New York Stock Exchange rules. At least two members of the Committee shall qualify as “Non-Employee Directors” (as such term is defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) and “Outside Directors” for purposes of Section 162(m) of the Internal Revenue Code. The Committee shall be charged with the following functions:

1. To establish and review annually the general compensation policies applicable to the Company’s executive officers, including the relationship of the Company’s performance to executive compensation.
2. To review and approve corporate goals and objectives relevant to the Chief Executive Officer’s compensation, evaluate the Chief Executive Officer’s performance in light of those goals and objectives, and determine and approve the Chief Executive Officer’s compensation level, including salary, bonus, benefits, executive incentive plans, and perquisites, based on this evaluation. If so directed by the Board of Directors, the Committee’s determination of the Chief Executive Officer’s compensation level shall be made together with the other independent members of the Board.
3. To review and approve, or make recommendations to the Board of Directors with respect to, the level of compensation, including salaries, bonuses, benefits, executive incentive plans, and perquisites, of the executive officers of the Company other than the Chief Executive Officer.
4. To review and advise the Board of Directors concerning the performance of the Chief Executive Officer of the Company and of those other employees whose compensation is within the jurisdiction of the Committee.
5. To review and advise the Board of Directors concerning (and, if deemed appropriate, retain consultants regarding) compensation practices and trends in order to assess the adequacy and competitiveness of the Company’s executive compensation programs.
6. Review and approve any compensation-related contracts with current or former executive officers of the Company, including consulting arrangements, employment contracts, and severance, change-in-control or termination agreements.
7. To recommend from time to time for adoption by the Board of Directors stock option and other equity-based plans, stock appreciation rights plans, pension and profit sharing plans, bonus plans, deferred compensation plans and other similar programs and incentive- compensation and equity-based plans that are subject to approval of the Board of Directors.
8. To administer, and review and approve awards and grants under the Company’s equity plans.
9. To produce a report as required by the Securities Exchange Commission (“SEC”) to be included in the Company’s annual proxy statement or annual report on Form 10-K filed with the SEC.

10. To review the results of any advisory stockholder votes on executive compensation and consider whether to recommend adjustments to the Company's executive compensation policies and practices as a result of such votes.
11. To perform an annual evaluation of the Committee, including a review of the compliance of the Committee with its charter.
12. To perform a risk analysis of the Company's compensation policies and practices.
13. To determine the appropriate funding from the Company for payment of reasonable compensation to compensation consultants, counsel and advisors.
14. To ensure the independence of compensation consultants, counsel and advisors retained by the Committee as required by the New York Stock Exchange rules.
15. To develop and implement policies, if any, with respect to the recovery or "clawback" of any excess compensation (including equity compensation) paid to any of the Company's executive officers based on erroneous data.
16. To perform such other functions and have such other powers as may be necessary or convenient to the efficient discharge of the foregoing.
17. To report to the Board of Directors regarding the foregoing from time to time, or whenever it shall be called upon to do so.

In performing its responsibilities, the Committee shall have the authority to obtain advice, reports or opinions from internal or external counsel and expert advisors as it deems appropriate to assist it in fulfilling its responsibilities. In particular, the Committee shall have the sole authority to retain and terminate compensation consultants to assist in evaluating executive officer compensation, including the sole authority to oversee the work of compensation consultants, counsel and advisors and to approve their fees and other retention terms. The Committee shall pre-approve, in order to ensure the independence of any compensation consultant retained by the Committee to participate in the evaluation of executive compensation, all services provided by any such consultant to the Company.

The members of the Committee and the chairperson of the Committee shall be appointed and replaced by the Board and will serve at the discretion of the Board. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

Approved: December 2017