

**KP TISSUE INC.
MATERIAL CHANGE REPORT
FORM 51-102F3**

Item 1. Name and Address of Company

KP Tissue Inc. ("KPT")
1900 Minnesota Court, Suite 200
Mississauga, Ontario L5N 5R5

Item 2. Date of Material Change

The material change described in this report occurred on December 21, 2017.

Item 3. News Release

A news release was filed on SEDAR and disseminated via the facilities of a recognized news service on December 21, 2017.

Item 4. Summary of Material Change

On December 21, 2017, KPT announced that Mr. Mario Gosselin has decided to retire from his position as Chief Executive Officer of KP Tissue and Kruger Products L.P. ("KPLP") as of March 8, 2018, and that Mr. Dino Bianco will succeed him.

Item 5.1 Full Description of Material Change

For a full description of the material change, please refer to the news release dated December 21, 2017 attached as Schedule A hereto.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

François Paroyan
General Counsel and Corporate Secretary
Tel.: 905.812.6936

Item 9. Date of Report

December 27, 2017.

SCHEDULE A



NEWS RELEASE

For immediate release

KP TISSUE ANNOUNCES RETIREMENT OF CEO MARIO GOSSELIN AND APPOINTMENT OF DINO BIANCO

Mississauga, December 21, 2017 – KP Tissue Inc. (“KPT”) (TSX: KPT) announced today that Mr. Mario Gosselin has decided to retire from his position as Chief Executive Officer of KP Tissue and Kruger Products L.P. (“KPLP”) as of March 8, 2018, and that Mr. Dino Bianco will succeed him.

Mr. Gosselin began his career with Kruger Inc. almost 40 years ago and has held a number of senior positions with the group in both Canada and the U.K. Mr. Gosselin was appointed CEO of KPLP in October 2012. “Although Mario has achieved many accomplishments throughout his career, he will be remembered above all for his leadership, the successful implementation of many capital projects including the TAD Project in Memphis, the seamless transition to a public company and growing KPLP’s sales from \$923 million in 2012 to \$1.2 billion in 2016. On behalf of the Board and of all the employees, I would like to sincerely thank Mario for his exceptional contributions,” said Mr. Joseph Kruger II, Chairman of Kruger Products.

Mr. Bianco is an accomplished and highly respected executive who brings over 25 years of financial, sales and marketing and senior management experience with Kraft. As President of Kraft Canada, Mr. Bianco successfully led a business with several billion in sales, 23 brands, 11 facilities and more than 5,000 employees. Mr. Bianco has also developed a strong relationship with Canadian retailers and in 2013 was the recipient of the Food Industry Association of Canada’s Golden Pencil Award, which recognized his lifetime contribution to the grocery sector. Furthermore, he has extensive U.S. and foodservice experience, having recently served as President of Kraft’s multi-billion U.S. Beverage division based in Chicago. During his tenure, he was responsible for driving significant growth, profits and innovation. “The Board is excited to have found someone of Dino’s calibre to succeed Mr. Gosselin. Mr. Bianco has extensive CPG experience and the strategic mindset to lead Kruger Products through its next phase of growth,” Mr. Kruger added.

Mr. Bianco holds a Bachelor of Commerce from the University of Toronto and is a Chartered Professional Accountant. He currently sits on the boards of Welbilt Foodservice (WBT.NYSE) and of Andrew Peller Ltd (ADW-A.TO).

To ensure a smooth and efficient transition, Mr. Gosselin will remain with KPLP until June 15, 2018. He also intends to continue to sit as a Director and Vice-Chair of KPLP’s Board until that date, at which time Mr. Bianco will join the KPLP Board.

About KP Tissue Inc.

KP Tissue Inc. (KPT) was created to acquire, and its business is limited to holding, a limited partnership interest in KPLP. For more information, visit www.kptissueinc.com.

About Kruger Products L.P.

Kruger Products L.P. is Canada's leading manufacturer of quality tissue products for household, industrial and commercial use. Kruger Products L.P. serves the Canadian consumer market with such well-known brands as Cashmere®, Purex®, SpongeTowels®, Scotties® and White Swan®. In the U.S., Kruger Products L.P. manufactures the White Cloud® brand, as well as many private label products. Kruger Products L.P. has approximately 2,500 employees and operates eight FSC® CoC certified (FSC® C104904) production facilities in North America. For more information, visit www.krugerproducts.ca.

Forward-Looking Statements

Certain statements in this press release about KPLP's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may," "will," "would," "should," "could," "expects," "plans," "intends," "trends," "indications," "anticipates," "believes," "estimates," "predicts," "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases are intended to identify forward-looking statements. The forward-looking information is based on certain key expectations and assumptions made by KPT. Although KPT believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information since no assurance can be given that such expectations and assumptions will prove to be correct.

INFORMATION:

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