

Paper Excellence acquires Resolute Forest Products

Torys acted as counsel to Fairfax Financial as a major shareholder in Resolute Forest Products with a team led by Michael Horwitz and that included David Chaikof, Mile Kurta, Thomas Yeo, Alastair Smith and Dening Kong (corporate/M&A and securities), John Tobin and David Mattingly (tax).

On July 6, 2022, The Paper Excellence Group (the "Group"), through its wholly-owned subsidiary Domtar Corporation ("Domtar"), and Resolute Forest Products Inc. ("Resolute") entered into an agreement under which Domtar would acquire all of the outstanding common shares of Resolute stock. The cash consideration of the transaction had an enterprise value of approximately US\$2.7 billion, including pension liabilities and excluding the Contingent Value Right ("CVR") on softwood lumber duty deposit refunds.

Carried out by way of a merger between Resolute and a newly created subsidiary of Domtar, the transaction provided for conversion of each share of Resolute common stock into the right to receive US\$20.50 per share, together with one CVR, entitling the holder to a share of future softwood lumber duty deposit refunds. Under the CVR, stockholders would receive any refunds on approximately US\$500 million of deposits on estimated softwood lumber duties paid by Resolute through June 30, 2022, including any interest thereon, net of certain expenses and of applicable tax and withholding.

Resolute stockholders had the opportunity to vote on the transaction at a stockholders' meeting held on October 31, 2022. The merger will require the approval of a majority of the outstanding shares. Fairfax Financial Holdings Limited, which as of July 5, 2022 held approximately 30,548,190 shares (or 40%) of the outstanding shares of Resolute, entered into a voting and support agreement to vote its shares in favor of the transaction prior to the meeting.

Paper Excellence welcomed Resolute into its group of companies following the successful closing of the transaction on March 1, 2023.

Further information can be found on Canada Newswire's [website](#).

[Resolute](#) is a global leader in the forest products industry with a diverse range of products, including market pulp, tissue, wood products and papers, which are marketed in over 60 countries. The company owns or operates some 40 facilities, as well as power generation assets, in the United States and Canada.

[Domtar](#) is a leading provider of a wide variety of fiber-based products including communication, specialty and packaging papers, market pulp and airlaid nonwovens.

[The Paper Excellence Group](#) is a privately-held holding company that oversees individual pulp and paper business units. Its operations include the manufacturing of pulp and specialty, printing and writing, and packaging papers, producing over 7 million tons annually with a workforce of over 10,000 in its nearly 40 locations across the Americas and Europe.

[Fairfax Financial Holdings Limited](#) is a holding company whose corporate objective is to build long term shareholder value by achieving a high rate of compound growth in book value per share over the long term.

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