FIBREK RECYCLING U.S. INC.
702 AFR Drive
Fairmont, WV 26554

Br. 2
03033817

October 18, 2018

U.S. Nuclear Regulatory Commission, Region I
2100 Renaissance Blvd., Suite 100
King of Prussia, PA 19406-2713

RE: Control Agreement in connection with the proposed transfer of control of Materials License No. 47-25327-01 (the "**License**")

To whom it may concern:

On September 17, 2018, Fibrek Recycling U.S. Inc. ("**Fibrek**") and ND Fairmont LLC ("**ND Fairmont**") submitted a joint application for the consent of the Nuclear Regulatory Commission ("**NRC**") to the change of control of the License from Fibrek to ND Fairmont (the "**Application**"), in conjunction with the transactions (the "**Transactions**") contemplated in an Asset Purchase Agreement dated August 29, 2018 (the "**Purchase Agreement**") relating to the purchase and sale of substantially all assets associated with the operation of Fibrek's recycled bleached kraft pulp mill located in Fairmont, West Virginia.

As part of the Transactions, Fibrek proposes to transfer the License to ND Fairmont, subject to receipt of NRC approval for the change of control of the License (the "**NRC Approval**"). Fibrek and ND Fairmont now expect to be in a position to close the Transactions on or about October 31, 2018. Anticipating that the NRC Approval may not be received by then, the parties have entered into the attached Control Agreement which provides that Fibrek will continue to maintain control of the License during the interim period between the closing of the Transactions and the date on which the NRC Approval has been received.

Please also note that Ms. Erika Aversa, the Fibrek employee acting as Radiation Safety Officer under the License, will cease to be a Fibrek employee at the closing of the Transactions. Fibrek will designate a new RSO for the interim period between the closing of the Transactions and the receipt of NRC Approval, and will address this matter by separate letter to the NRC.

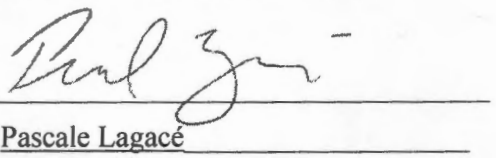
If you have any questions or concerns, please contact Fibrek's counsel, Christopher M. Hunter, at (304) 340-1203, Fibrek's representative, François Bozet, ing., Environmental Manager at (514) 394-2134 (francois.bozet@resolutefp.com) or ND Fairmont's representative, Brian Boland, Vice President of Government Affairs & Corporate Initiatives at (937) 528-3804 (brian.boland@us.ndpaper.com).

MII#: 2606759.1

610313
NMSS/RGN1 MATERIALS-002

Yours truly,

FIBREK RECYCLING U.S. INC.



By: Pascale Lagacé
Its Authorized Representative

ND FAIRMONT LLC

By: _____
Its Authorized Representative

Yours truly,

FIBREK RECYCLING U.S. INC.

By: _____
Its Authorized Representative

ND FAIRMONT LLC

VP Govt Affairs & Corp Initiatives

By: Brian J Boland - VP, Govt Affairs & Corp Initiatives
Its Authorized Representative

CONTROL AGREEMENT FOR NRC MATERIALS LICENSE 47-25327-01

This Control Agreement (this "**Agreement**") is made as of October 18, 2018, between **FIBREK RECYCLING U.S. INC.**, a Delaware corporation ("**Fibrek**") and **ND FAIRMONT LLC**, a Delaware limited liability company ("**ND Fairmont**").

WHEREAS under an Asset Purchase Agreement dated as of August 29, 2018 between, among others, Fibrek and ND Fairmont (the "**Purchase Agreement**"), the parties have agreed that Fibrek will sell and ND Fairmont LLC will purchase certain assets associated with Fibrek's operations at its recycled bleached kraft pulp mill in Fairmont, West Virginia (the "**Fairmont Mill**").

WHEREAS Fibrek is the holder of Materials License No. 47-25327-01 (the "**License**") issued by the U.S. Nuclear Regulatory Commission ("**NRC**"), a copy of which is attached hereto as Exhibit 1, in connection with its operations at the Fairmont Mill.

WHEREAS under the Purchase Agreement, Fibrek has agreed to transfer the License to ND Fairmont, which has agreed to acquire and assume the License, at the closing of the transactions contemplated in the Purchase Agreement (the "**Closing**"), subject to receipt of the written approval of the U.S. Nuclear Regulatory Commission ("**NRC**") for the change of control of the License from Fibrek to ND Fairmont (the "**NRC Approval**").

WHEREAS Fibrek and ND Fairmont submitted a joint request for the NRC Approval on September 17, 2018.

WHEREAS Fibrek and ND Fairmont currently expect to be in a position to proceed with the Closing on or about October 31, 2018 and expect that they may not have received the NRC Approval by that date.

WHEREAS the parties are entering into this Agreement to ensure that Fibrek will continue to maintain oversight and control of the License and the nuclear materials covered by the License until the NRC Approval is obtained.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Transfer of the License. Notwithstanding anything in the Purchase Agreement, the License will not be transferred to or assumed by ND Fairmont until the parties have received the NRC Approval. Provided that Closing has taken place before such time, the License will be transferred to and assumed by ND Fairmont upon the receipt of the NRC Approval.

2. Conduct During the Interim Period. Fibrek and ND Fairmont hereby agree that if the Closing takes place before the NRC Approval has been received, then during the period from and including the date of the Closing until the date on which the NRC Approval is obtained (the "**Interim Period**"), the License and the radioactive materials covered by the License will remain under the sole control and direction of Fibrek. Without limiting the foregoing, during the Interim Period:

   (a) Fibrek will continue to be responsible for all matters relating to the License and the related radiation safety program and the security and control of the radioactive materials at the Fairmont Mill.

(b) ND Fairmont will not, and will ensure that its employees, representatives and agents do not, access or attempt to access the radioactive materials at the Fairmont Mill.

(c) Fibrek will remain responsible for compliance with License conditions, including ensuring sealed source leak testing and conducting a physical inventory every six months, as applicable, and ND Fairmont will cooperate with Fibrek in connection therewith, including providing the necessary access to the Fairmont Mill.

(d) Fibrek will give its representative acting as Radiation Safety Officer for the License ("**RSO**") the necessary time and resources to fulfill his or her duties as RSO, including making periodic visits to the Fairmont Mill, and ND Fairmont will permit such visits. ND Fairmont will provide Fibrek and its RSO with adequate resources (including space, equipment, personnel time, and source access) to administer the radiation safety program at the Fairmont Mill.

(e) ND Fairmont will follow, and will ensure that its employees and contractors at the Fairmont Mill follow, the guidance of the RSO in matters of radiation safety, and Fibrek and ND Fairmont acknowledge and agree that the RSO has independent stop work authority to stop unsafe operations in connection with the matters governed by the License.

3. Termination.

(a) If the Purchase Agreement is terminated before Closing, this Agreement shall concurrently terminate and have no further force and effect.

(b) The parties agree that they intend the arrangement set forth in this Agreement to be a temporary measure until the NRC Approval is received. They therefore agree that if the Closing takes place and the NRC Approval has not been obtained before the date that is six months after the Closing date, they will work together to find an alternative to the arrangements set forth herein that are satisfactory to the parties, each acting reasonably. If they are unable to agree on alternative arrangements before the first anniversary of the Closing date, then:

i. Fibrek will be entitled at any time thereafter to, upon at least five business days' advance notice to ND Fairmont, cancel the License and engage a licensed contractor to remove the materials subject to the License;

ii. ND Fairmont shall grant access to the Fairmont Mill to Fibrek and such contractor and otherwise cooperate with the removal of the materials subject to the License; and

iii. this Agreement shall terminate concurrently with the cancellation of the License and have no further force and effect.

4. General.

(a) If any further action is necessary or desirable to carry out the purposes of this Agreement, each party shall take such further action (including the execution and delivery of such further instruments and documents) as the other party may reasonably request.

(b) This Agreement shall be binding on Seller and its successors and assigns and shall inure to the benefit of Purchaser and its successors and assigns. ND Fairmont may not assign this Agreement or its rights or obligations hereunder without the prior written consent of Fibrek.

(c) This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each party.

(d) This Agreement will be governed by and construed in accordance with the domestic Laws of the State of New York for contracts entered into and to be performed in such state, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of New York.

(e) This Agreement may be executed and delivered in counterparts (including by facsimile transmission or by electronic mail with attachment in .pdf format), each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute one and the same agreement.

[Signature page follows.]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by each party as of the date first above written.

FIBREK RECYCLING U.S. INC.

By _____
Name: Pascale Lagacé
Title: Authorized Representative

By _____
Name:
Title:

ND FAIRMONT LLC

By _____
Name:
Title:

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by each party as of the date first above written.

FIBREK RECYCLING U.S. INC.

By _____
Name:
Title:

By _____
Name:
Title:

ND FAIRMONT LLC

By _____
Name: Brian J Boland
Title: VP, Govt Affairs & Corp Initiatives

Exhibit 1
Copy of License

(attached)

NRC FORM 374

U.S. NUCLEAR REGULATORY COMMISSION

Amendment No. 11
Corrected Copy

MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 70 and 71, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	In accordance with letter dated November 3, 2016,	4. Expiration Date: August 31, 2025
1. Fibrek		5. Docket No.: 030-33817 Reference No.:
2. 702 AFR Drive Fairmont, WV 26554	3. License number: 47-25327-01 is amended in its entirety to read as follows:	

6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license	9. Authorized use
A. Cesium-137	A. Sealed Sources (QSA Global, Inc., Model CDC.700)	A. 50 millicuries per source and 55 millicuries total	A. For use in Ronan Engineering Company Model SA-8 fixed gauging devices to perform level or density measurements.
B. Cesium-137	B. Sealed Sources (QSA Global, Inc., Model CDC.700)	B. 50 millicuries per source and 110 millicuries total	B. For use in Ronan Engineering Company Model SA-1 fixed gauging devices to perform level or density measurements.

CONDITIONS

10. Licensed material may be used or stored only at the licensee's facilities located at: 702 AFR Drive, Fairmont, West Virginia.

MATERIALS LICENSE SUPPLEMENTARY SHEET	License Number 47-25327-01	Docket or Reference Number 030-33817
	Amendment No. 11 (Corrected Copy)	

11. Licensed material shall only be used by, or under the supervision of, individuals who have received the training described in the application dated June 24, 2015, and have been designated in writing by the Radiation Safety Officer. The licensee shall maintain records of individuals designated as users for 3 years following the last use of licensed material by the individual.

12. The Radiation Safety Officer (RSO) for this license is Ericka Aversa.

13. A. Sealed sources and detector cells shall be tested for leakage and/or contamination at intervals not to exceed the intervals specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or by an Agreement State. In the absence of a registration certificate, sealed sources shall be tested for leakage and/or contamination at intervals not to exceed 6 months, or at such other intervals as specified.

B. In the absence of a certificate from a transferor indicating that a leak test has been made within the intervals specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or by an Agreement State, prior to the transfer, a sealed source received from another person shall not be put into use until tested and the test results received.

C. Sealed sources need not be tested if they are in storage and are not being used. However, when they are removed from storage for use or transferred to another person, and have not been tested within the required leak test interval, they shall be tested before use or transfer. No sealed source shall be stored for a period of more than 10 years without being tested for leakage and/or contamination.

D. The leak test shall be capable of detecting the presence of 185 becquerels (0.005 microcuries) of radioactive material on the test sample. If the test reveals the presence of 185 becquerels (0.005 microcuries) or more of removable contamination, a report shall be filed with the U.S. Nuclear Regulatory Commission in accordance with 10 CFR 30.50(c)(2), and the source shall be removed immediately from service and decontaminated, repaired, or disposed of in accordance with Commission regulations.

E. Analysis of leak test samples and/or contamination shall be performed by persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services. The licensee is authorized to collect leak test samples but not perform the analysis.

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F. Records of leak test results shall be kept in units of becquerels (microcuries) and shall be maintained for 3 years.

14. Sealed sources or source rods containing licensed material shall not be opened or sources removed from source holders or detached from source rods by the licensee.

15. The licensee shall conduct a physical inventory every 6 months, or at other intervals approved by the U.S. Nuclear Regulatory Commission, to account for all sealed sources and/or devices received and possessed under the license. Records of inventories shall be maintained for 3 years from the date of each inventory, and shall include the radionuclides, quantities, manufacturer's name and model numbers, and the date of the inventory.

16. A. Each gauge shall be tested for the proper operation of the on-off mechanism (shutter) and indicator, if any, at intervals not to exceed 6 months or at such longer intervals as specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission pursuant to 10 CFR 32.210 or the equivalent regulations of an Agreement State.

B. Notwithstanding the periodic on-off mechanism (shutter) and indicator test, the requirement does not apply to gauges that are stored, not being used, and have the shutter lock mechanism in a locked position. The gauges exempted from this periodic test shall be tested before use. Records of test results shall be maintained for 3 years from the date of each test.

17. The following services shall not be performed by the licensee: installation, initial radiation surveys, relocation, removal from service, dismantling, alignment, replacement, disposal of the sealed source, and non-routine maintenance or repair of components related to the radiological safety of the gauge (i.e., the sealed source, the source holder, source drive mechanism, on-off mechanism (shutter), shutter control, shielding). These services shall be performed only by persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.

18. The licensee may initially mount a gauge, if permitted by the certificate of registration issued by the U.S. Nuclear Regulatory Commission or an Agreement State, and under the following conditions:

A. The gauge must be mounted in accordance with written instructions provided by the manufacturer.

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B. The gauge must be mounted in a location compatible with the Conditions of Normal Use and Limitations and/or Other Considerations of Use in the certificate of registration issued by the U.S. Nuclear Regulatory Commission or an Agreement State.

C. The on-off mechanism (shutter) must be locked in the off position, if applicable, or the source must be otherwise fully shielded.

D. The gauge must be received in good conditions (e.g., the package was not damaged).

E. The gauge must not require any modification to fit in the proposed location.

Mounting does not include electrical connection, activation, or operation of the gauge. The source must remain fully shielded, and the gauge may not be used until it is installed and made operational by a person specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such operations.

19. A. The licensee may maintain, repair, or replace device components that are not related to the radiological safety of the device containing licensed material and that do not result in the potential for any portion of the body to come into contact with the primary beam or result in increased radiation levels in accessible areas.

B. The licensee may not maintain, repair, or replace any of the following device components: the sealed source, the source holder, source drive mechanism, on-off mechanism (shutter), shutter control, shielding, or any other component related to the radiological safety of the device, except as provided otherwise by specific condition of this license.

20. Prior to initial use and after installation, relocation, dismantling, alignment, or any other activity involving the source or removal of the shielding, the licensee shall assure that a radiological survey is performed to determine radiation levels in accessible areas around, above, and below the gauge with the shutter open. This survey shall be performed only by persons authorized to perform such services by the U.S. Nuclear Regulatory Commission or an Agreement State.

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21. The licensee shall operate each device containing licensed material within the manufacturer's specified temperature and environmental limits such that the shielding and shutter mechanism of the source holder are not compromised.

22. The licensee shall assure that the shutter mechanism of each device containing licensed material is locked in the closed position during periods when a portion of an individual's body may be subject to the direct radiation beam. The licensee shall review and modify, as appropriate, it's "lock-out" procedures whenever a new device is obtained to incorporate the device manufacturer's recommendations.

23. Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents, including any enclosures, listed below. This license condition applies only to those procedures that are required to be submitted in accordance with the regulations. The U.S. Nuclear Regulatory Commission's regulations shall govern unless the statements, representations, and procedures in the licensee's application and correspondence are more restrictive than the regulations.

    A. Revised application dated June 24, 2015 (ML15238B107)
    B. Letter dated November 30, 2016 (ML16348A354)

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Date: May 9, 2017

By: _____
Scott Wilson
Region 1

NRC FORM 532
(05-2016)

U.S. NUCLEAR REGULATORY COMMISSION

ACKNOWLEDGEMENT - RECEIPT OF CORRESPONDENCE

Name and Address of Applicant and/or Licensee

Fibrek
ATTN: Brad Morgan, Maintenance & I/E Manager
702 AFR Drive
Fairmont, WV 26554

Date
October 25, 2018

License Number(s)
47-25327-01

Mail Control Number(s)
610313

Licensing and/or Technical Reviewer or Branch
Commercial, Industrial, R&D, & Academic Branch

This is to acknowledge receipt of your: ☑ **Letter and/or** ☐ **Application** **Dated:** 10/18/2018

The initial processing, which included an administrative review, has been performed.

☑ **Amendment** ☐ **Termination** ☐ **New License** ☐ **Renewal**

☑ **There were no administrative omissions identified during our initial review.**

☐ **This is to acknowledge receipt of your application for renewal of the material(s) license identified above. Your application is deemed timely filed, and accordingly, the license will not expire until final action has been taken by this office.**

☐ **Your application for a new NRC license did not include your taxpayer identification number. Please complete and submit NRC Form 531, Request for Taxpayer Identification Number, located at the following link: http://www.nrc.gov/reading-rm/doc-collections/forms/nrc531.pdf**

Follow the instructions on the form for submission.

☐ **The following administrative omissions have been identified:**

Your application has been assigned the above listed MAIL CONTROL NUMBER. When calling to inquire about this action, please refer to this control number. Your application has been forwarded to a technical reviewer. Please note that the technical review, which is normally completed within 180 days for a renewal application (90 days for all other requests), may identify additional omissions or require additional information. If you have any questions concerning the processing of your application, our contact information is listed below:

Region I
U. S. Nuclear Regulatory Commission
Division of Nuclear Materials Safety
2100 Renaissance Boulevard, Suite 100
King of Prussia, PA 19406-2713
(610) 337-5260, (610) 337-5313,
(610) 337-5398, or (610) 337-5239