Toxics Reduction Plan

Summary

(Methanol)

North Bay Facility

281 Wallace Road
North Bay, Ontario
P1A 2W8

Prepared by:

Thorsten Brost, P. Eng.
Partner, Engineering
November 12, 2012
Table of Contents

1. Plan Summary Statement .......................................................... 3
2. Statement of Intent .................................................................. 3
3. Objective ................................................................................. 3
4. Basic Facility Information ....................................................... 4
5. Other Substances Under Toxics Reduction Act ......................... 5
6. Description of Methanol Use ................................................... 5
7. Description of Options ............................................................. 5
8. Additional Actions Taken ........................................................ 6
9. Certification ............................................................................. 7
   9.1. Certification by Highest Ranking Employee ......................... 7
   9.2. Certification by Licensed Planner ....................................... 7
1. Plan Summary Statement

This plan summary accurately reflects the content of the toxic substance reduction plan for methanol prepared by Arclin Canada Inc. - North Bay, dated November 12, 2012.

2. Statement of Intent

Methanol is currently used by the North Bay Arclin resin facility (hereafter referred to as Arclin) as a feedstock material for the creation of formaldehyde. Since formaldehyde is a key final and intermediate product for Arclin, the plan will not address the elimination of the use of methanol. Instead, the intent is to reduce the use of methanol through improvements in process efficiencies as well as the reduction of waste in its various forms.

3. Objective

Arclin has a long history of producing various formaldehyde containing resins in a safe, efficient and environmentally responsible fashion. Arclin will strive to further improve its environmental performance by reducing the use of methanol in its processes. This plan will determine the technical and economic feasibility of each identified methanol usage reduction option to determine which are viable for implementation at this time.

Arclin has long been focused on reducing its environmental footprint. Arclin has joined seven other private companies in a National Science Foundation-funded research consortium that will focus on environmentally friendly wood-based composite materials.

Today, our environmental sustainability efforts are multidimensional:

Our green manufacturing processes incorporate many of the principles of Six Sigma® quality assurance methodology to ensure we meet, if not exceed, environmental standards and guidelines.

Our R&D and product development teams have been heavily focused on green innovation — developing products that maintain or increase performance attributes while preserving resources and lessening negative environmental impact.

Arclin’s growing portfolio of E-Gen®-designated green products is a testament to our commitment to market-forward innovation.

Consider our ultra low to zero-emitting resins or FSC-certified decorative surfaces overlays, our slow release fertilizers that increase yields and conserve water and railcar toppings that protect air and valuable natural resources, Arclin is leveraging its technological expertise in bonding and surfacing science to finding new and innovative ways to address market and environmental needs.
We’re also working aggressively with a number of university R&D programs at the forefront of scientific discovery to uncover novel chemistries and new applications that net new opportunities for our customers. Smarter, greener, market-ready.

From internal processes to product development and performance, Arclin’s sustainability efforts benefit our customers, downstream markets, employees and communities.

4. Basic Facility Information

Substance of topic for plan: Methanol (CH₄O, CAS # 67-56-1)
Facility NPRI Identification Number: 0000001687
Facility Address: Arclin Canada Ltd.- North Bay
281 Wallace Road
North Bay, Ontario
P1A 2W8
Owner Address: Arclin Canada Ltd.
5865 McLaughlin Road, Unit 3
Mississauga, Ontario
L5R 1B8
Public Contact: Jason Farrow, Plant Manager
281 Wallace Road, North Bay, ON
(705) 474-7460 Ext. 238

Full Time Equivalent Employees: 48
Two Digit NAICS Code: 32
Four Digit NAICS Code: 3252
Six Digit NAICS Code: 325210
Ontario Regulation 127/01 ID Number: 6777
Spacial Coordinates (UTM w/ NAD83 Datum):
UTM Zone 17
UTM Easting 621199.4
UTM Northing 5131040.5
5. Other Substances Under Toxics Reduction Act

In addition to submitting a plan for the use of methanol under the Toxics Reduction Act, separate plans have been prepared for the use and creation of formaldehyde as well as the use of phenol within the Arclin facility in North Bay.

6. Description of Methanol Use

The Arclin facility in North Bay produces formaldehyde as a raw material for the production of resins on site, as well as a final product to be shipped to various customers. Formaldehyde is produced at the plant through a chemical process combining methanol and oxygen. Methanol is thus a required raw material for the production of product at Arclin.

7. Description of Options

Through a thorough investigative process which focused on the more efficient use of methanol, the options which were identified for implementation are as outlined in the table below:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Estimated Benefit (tonnes)</th>
<th>Estimated Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absorber pH Control</td>
<td>25</td>
<td>Nov-13</td>
</tr>
<tr>
<td>Flow Meter Calibrations</td>
<td>9.6</td>
<td>May-14</td>
</tr>
<tr>
<td>Catalyst Change-out Model</td>
<td>9.6</td>
<td>May-15</td>
</tr>
<tr>
<td>Process Optimization</td>
<td>9.6</td>
<td>Nov-14</td>
</tr>
<tr>
<td>Methanol Pre-heater Automation</td>
<td>4.8</td>
<td>Oct-14</td>
</tr>
<tr>
<td>Unloading Spill Prevention</td>
<td>0.1</td>
<td>Jul-13</td>
</tr>
<tr>
<td>Methanol Stack Testing</td>
<td>0</td>
<td>Jun-15</td>
</tr>
<tr>
<td><strong>Total (tonnes of methanol reduced)</strong></td>
<td><strong>58.7</strong></td>
<td></td>
</tr>
</tbody>
</table>

The graph below indicates the magnitude and timing of the estimated benefits as outlined above.
8. **Additional Actions Taken**

Since the volume of methanol required to produce formaldehyde is directly related to the volume of formaldehyde required for shipment and resin production, it stands to reason that a reduction in the required formaldehyde production yields a direct reduction in the methanol used. Thus, it should be noted that a separate toxics reduction plan, with several additional projects to reduce the use of formaldehyde, has been prepared. The formaldehyde use reductions will further reduce methanol usage.
9. Certification

9.1. Certification by Highest Ranking Employee
As of November 15, 2012, I, Jason Farrow, certify that I have read the toxic substance reduction plan for the toxic substance referred to below and am familiar with its contents, and to my knowledge the plan is factually accurate and complies with the Toxics Reduction Act, 2009 and Ontario Regulation 455/09 (General) made under that Act.

Methanol

Jason Farrow
Plant Manager
Arclin, North Bay

9.2. Certification by Licensed Planner
As of November 15, 2012, I, Thorsten Brost, certify that I am familiar with the processes at Arclin, North Bay that use or create the toxic substance referred to below, that I agree with the estimates referred to in subparagraphs 7 iii, iv and v of subsection 4 (1) of the Toxics Reduction Act, 2009 that are set out in the plan dated November 12, 2012 and that the plan complies with the Act and Ontario Regulation 455/09 (General) made under that Act.

Methanol

Thorsten Brost, P. Eng. (Planner License # TSRP0225)
Partner, Engineering
Induspec