

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|

|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u> |                                                                                                                                                                                                                                           |
| A This return/report is for:                                                                             | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| B This return/report is:                                                                                 | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| C If the plan is a collectively-bargained plan, check here. . . . .                                      | <input type="checkbox"/>                                                                                                                                                                                                                  |
| D Check box if filing under:                                                                             | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                     |            |                                                             |  |                                                             |  |  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------|-------------------------------------------------------------|--|-------------------------------------------------------------|--|--|--|
| <b>Part II</b>                                                                                                                                                                                                           | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                                                                                                                                               |                                                                     |            |                                                             |  |                                                             |  |  |  |
| <b>1a</b> Name of plan<br><u>VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)</u>                                                                                                                      | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>004</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>04/30/2011</u></td> </tr> </table>                                                                                                                                              | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>004</u> | <b>1c</b> Effective date of plan<br><u>04/30/2011</u>       |  |                                                             |  |  |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                 | <u>004</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                     |            |                                                             |  |                                                             |  |  |  |
| <b>1c</b> Effective date of plan<br><u>04/30/2011</u>                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                     |            |                                                             |  |                                                             |  |  |  |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><br><u>VERSO PAPER CORP.</u><br><br><u>6775 LENOX CENTER CT STE 400</u><br><u>MEMPHIS, TN 38115</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2"><b>2b</b> Employer Identification Number (EIN)<br/><u>75-3217389</u></td> </tr> <tr> <td colspan="2"><b>2c</b> Sponsor's telephone number<br/><u>901-369-4124</u></td> </tr> <tr> <td colspan="2"><b>2d</b> Business code (see instructions)<br/><u>322100</u></td> </tr> <tr> <td colspan="2" style="background-color: #cccccc; height: 40px;"></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>75-3217389</u> |            | <b>2c</b> Sponsor's telephone number<br><u>901-369-4124</u> |  | <b>2d</b> Business code (see instructions)<br><u>322100</u> |  |  |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>75-3217389</u>                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                     |            |                                                             |  |                                                             |  |  |  |
| <b>2c</b> Sponsor's telephone number<br><u>901-369-4124</u>                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                     |            |                                                             |  |                                                             |  |  |  |
| <b>2d</b> Business code (see instructions)<br><u>322100</u>                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                     |            |                                                             |  |                                                             |  |  |  |
|                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                     |            |                                                             |  |                                                             |  |  |  |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                                                                                                            |                                                   |            |                                                              |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature. | 10/13/2014 | KENNY SAWYER                                                 |
|                                                                                                            | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                           |                                                   |            |                                                              |
|                                                                                                            | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                           |                                                   |            |                                                              |
|                                                                                                            | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                                                   |            | Preparer's telephone number (optional)                       |
|                                                                                                            |                                                   |            |                                                              |

|                                                                                                                                                                                        |  |                                                                                              |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------|--|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address                    |  | <b>3b</b> Administrator's EIN                                                                |  |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: |  | <b>3c</b> Administrator's telephone number                                                   |  |
| <b>a</b> Sponsor's name                                                                                                                                                                |  | <b>4b</b> EIN                                                                                |  |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                |  | <b>4c</b> PN                                                                                 |  |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                 |  | <b>5</b> 925                                                                                 |  |
| <b>a</b> Active participants .....                                                                                                                                                     |  | <b>6a</b> 679                                                                                |  |
| <b>b</b> Retired or separated participants receiving benefits .....                                                                                                                    |  | <b>6b</b> 170                                                                                |  |
| <b>c</b> Other retired or separated participants entitled to future benefits .....                                                                                                     |  | <b>6c</b> 94                                                                                 |  |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                               |  | <b>6d</b> 943                                                                                |  |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits .....                                                                             |  | <b>6e</b> 14                                                                                 |  |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                |  | <b>6f</b> 957                                                                                |  |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....                                        |  | <b>6g</b>                                                                                    |  |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested .....                                            |  | <b>6h</b> 1                                                                                  |  |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                   |  | <b>7</b>                                                                                     |  |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br><b>1B 3H</b>           |  |                                                                                              |  |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                            |  |                                                                                              |  |
| <b>9a</b> Plan funding arrangement (check all that apply)                                                                                                                              |  | <b>9b</b> Plan benefit arrangement (check all that apply)                                    |  |
| <b>(1)</b> <input type="checkbox"/> Insurance                                                                                                                                          |  | <b>(1)</b> <input type="checkbox"/> Insurance                                                |  |
| <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts                                                                                                         |  | <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts               |  |
| <b>(3)</b> <input checked="" type="checkbox"/> Trust                                                                                                                                   |  | <b>(3)</b> <input checked="" type="checkbox"/> Trust                                         |  |
| <b>(4)</b> <input type="checkbox"/> General assets of the sponsor                                                                                                                      |  | <b>(4)</b> <input type="checkbox"/> General assets of the sponsor                            |  |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                      |  |                                                                                              |  |
| <b>a Pension Schedules</b>                                                                                                                                                             |  | <b>b General Schedules</b>                                                                   |  |
| <b>(1)</b> <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)                                                                                                  |  | <b>(1)</b> <input checked="" type="checkbox"/> <b>H</b> (Financial Information)              |  |
| <b>(2)</b> <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary                  |  | <b>(2)</b> <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)            |  |
| <b>(3)</b> <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary                                     |  | <b>(3)</b> <input type="checkbox"/> <b>A</b> (Insurance Information)                         |  |
|                                                                                                                                                                                        |  | <b>(4)</b> <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)       |  |
|                                                                                                                                                                                        |  | <b>(5)</b> <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) |  |
|                                                                                                                                                                                        |  | <b>(6)</b> <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)               |  |

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)</u>                                        | <b>B</b> Three-digit plan number (PN) ▶ <u>004</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>VERSO PAPER CORP.</u>                                      | <b>D</b> Employer Identification Number (EIN)<br><u>75-3217389</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                |                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| <b>Part I</b>                                                                                                                                                                                                  | <b>Basic Information</b>                |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>                                                                                                                              |                                         |
| <b>2</b> Assets:                                                                                                                                                                                               |                                         |
| <b>a</b> Market value .....                                                                                                                                                                                    | <b>2a</b> <u>20917829</u>               |
| <b>b</b> Actuarial value .....                                                                                                                                                                                 | <b>2b</b> <u>20917829</u>               |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                           |                                         |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                     | <b>3a</b> <u>142</u> <u>5246463</u>     |
| <b>b</b> For terminated vested participants.....                                                                                                                                                               | <b>3b</b> <u>80</u> <u>1449799</u>      |
| <b>c</b> For active participants:                                                                                                                                                                              |                                         |
| <b>(1)</b> Non-vested benefits .....                                                                                                                                                                           | <b>3c(1)</b> <u>318167</u>              |
| <b>(2)</b> Vested benefits .....                                                                                                                                                                               | <b>3c(2)</b> <u>14840905</u>            |
| <b>(3)</b> Total active.....                                                                                                                                                                                   | <b>3c(3)</b> <u>703</u> <u>15159072</u> |
| <b>d</b> Total.....                                                                                                                                                                                            | <b>3d</b> <u>925</u> <u>21855334</u>    |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                          |                                         |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                      | <b>4a</b>                               |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor..... | <b>4b</b>                               |
| <b>5</b> Effective interest rate .....                                                                                                                                                                         | <b>5</b> <u>6.78 %</u>                  |
| <b>6</b> Target normal cost.....                                                                                                                                                                               | <b>6</b> <u>2054861</u>                 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                                                                              |                               |                                        |
|------------------------------------------------------------------------------|-------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                                             |                               | <u>09/26/2014</u>                      |
|                                                                              | Signature of actuary          | Date                                   |
| <u>PAUL W. FOLEY, A.S.A., E.A.</u>                                           |                               | <u>14-05775</u>                        |
|                                                                              | Type or print name of actuary | Most recent enrollment number          |
| <u>TRANSAMERICA</u>                                                          |                               | <u>508-903-6016</u>                    |
|                                                                              | Firm name                     | Telephone number (including area code) |
| <u>24 PRIME PARK WAY</u><br><u>SUITE 400</u><br><u>NATICK, MA 01760-1528</u> |                               |                                        |
|                                                                              | Address of the firm           |                                        |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.**

**Schedule SB (Form 5500) 2013**  
**v. 130118**

| Part II Beginning of Year Carryover and Prefunding Balances                                                                         |                       |                        |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
|                                                                                                                                     | (a) Carryover balance | (b) Prefunding balance |
| 7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                   | 0                     | 0                      |
| 8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                | 0                     | 0                      |
| 9 Amount remaining (line 7 minus line 8) .....                                                                                      | 0                     | 0                      |
| 10 Interest on line 9 using prior year's actual return of <u>8.34</u> % .....                                                       | 0                     | 0                      |
| 11 Prior year's excess contributions to be added to prefunding balance:                                                             |                       |                        |
| a Present value of excess contributions (line 38a from prior year) .....                                                            |                       | 256                    |
| b Interest on (a) using prior year's effective interest rate of <u>7.13</u> % except as otherwise provided (see instructions) ..... |                       | 18                     |
| c Total available at beginning of current plan year to add to prefunding balance .....                                              |                       | 274                    |
| d Portion of (c) to be added to prefunding balance .....                                                                            |                       | 0                      |
| 12 Other reductions in balances due to elections or deemed elections .....                                                          | 0                     | 0                      |
| 13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                               | 0                     | 0                      |

| Part III Funding Percentages                                                                                                                                        |    |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------|
| 14 Funding target attainment percentage .....                                                                                                                       | 14 | 95.71 %  |
| 15 Adjusted funding target attainment percentage .....                                                                                                              | 15 | 95.71 %  |
| 16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | 16 | 100.01 % |
| 17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | 17 | %        |

| Part IV Contributions and Liquidity Shortfalls                                    |                                   |                                 |                          |                                   |                                 |
|-----------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 18 Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                          | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/15/2014                                                                        | 101013                            |                                 |                          |                                   |                                 |
| 07/15/2014                                                                        | 101013                            |                                 |                          |                                   |                                 |
| 09/15/2014                                                                        | 2270000                           |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 | Totals ►                 | 18(b)                             | 2472026                         |
|                                                                                   |                                   |                                 |                          | 18(c)                             | 0                               |

|                                                                                                                               |                                                                     |         |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------|
| 19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: |                                                                     |         |
| a Contributions allocated toward unpaid minimum required contributions from prior years. ....                                 | 19a                                                                 | 0       |
| b Contributions made to avoid restrictions adjusted to valuation date .....                                                   | 19b                                                                 | 0       |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....              | 19c                                                                 | 2214094 |
| 20 Quarterly contributions and liquidity shortfalls:                                                                          |                                                                     |         |
| a Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |         |
| b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....              | <input type="checkbox"/> Yes <input type="checkbox"/> No            |         |
| c If line 20a is "Yes," see instructions and complete the following table as applicable:                                      |                                                                     |         |

| Liquidity shortfall as of end of quarter of this plan year |         |         |         |
|------------------------------------------------------------|---------|---------|---------|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |
|                                                            |         |         |         |

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

|                                                                                                                                                                                              |                       |                       |                       |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                       |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>5.23% | 2nd segment:<br>6.51% | 3rd segment:<br>7.16% | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                       |                       |                       | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       |                       | <b>22</b> 63                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                       |                                                     |

**Part VI Miscellaneous Items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ....                            | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....                                    | <b>27</b>                                                           |

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                                     |                     |                    |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                                  |                     |                    |               |
| <b>a</b> Target normal cost (line 6).....                                                                                                                                                           | <b>31a</b>          | 2054861            |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                                          | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                                | Outstanding Balance |                    | Installment   |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                                | 937505              |                    | 157787        |
| <b>b</b> Waiver amortization installment .....                                                                                                                                                      |                     |                    |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month <u>07</u> Day <u>24</u> Year <u>2014</u> ) and the waived amount ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                                           | <b>34</b>           | 2212648            |               |
|                                                                                                                                                                                                     | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                               | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                                  | <b>36</b>           | 2212648            |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                                  | <b>37</b>           | 2214094            |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                                 |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                                      | <b>38a</b>          | 1446               |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                               | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                                     | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                                 | <b>40</b>           | 0                  |               |

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

|                                                                                                |                                                                                                                         |   |  |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                         |   |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |   |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |   |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                               | 0 |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                               | 0 |  |

|                                                                                                                                                                                                               |                                                                                                                                                                                                                |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                | <b>2013</b>                                    |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

|                                                                                                    |                                                                    |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)</u> | <b>B</b> Three-digit plan number (PN) ▶ <u>004</u>                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>VERSO PAPER CORP.</u>          | <b>D</b> Employer Identification Number (EIN)<br><u>75-3217389</u> |

**Part I Service Provider Information (see instructions)**

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation  
TRANSAMERICA RETIREMENT SOLUTIONS

13-3689044

**(b)** Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

---

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

---

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

---

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

---

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

---

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

---

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

---

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

---

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TRANSAMERICA RETIREMENT SOLUTIONS

13-3689044

| (b)<br>Service Code(s)                 | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|----------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 11 12 15 28<br>38 50 59 61<br>62 63 64 | RECORDKEEPER                                                                                      | 78213                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

(a) Enter name and EIN or address (see instructions)

NATIONAL FINANCIAL SERVICES

04-3523567

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 33 71                  | SECURITIES BROKER                                                                                 | 0                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

(a) Enter name and EIN or address (see instructions)

STEPHENS INC.

111 CENTER STREET  
LITTLE ROCK, AR 72201

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 16 53                  | BROKER                                                                                            | 0                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                            | 21077                                                                                                                                                                           | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MID ATLANTIC CAPITAL CORPORATION

25-1409618

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 33 71                  | SECURITIES BROKER                                                                                 | 0                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

(a) Enter name and EIN or address (see instructions)

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
|                        |                                                                                                   |                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                             | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

(a) Enter name and EIN or address (see instructions)

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
|                        |                                                                                                   |                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                             | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2                   | (b) Service Codes<br>(see instructions)     | (c) Enter amount of indirect compensation                                                                                                                          |
|---------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRANSAMERICA RETIREMENT SOLUTIONS                                         | 11 12 15 28 38 50 59 61 62 63<br>64         | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation       |                                             | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| GOLDMAN SACHS<br>3414 PEACHTREE ROAD NE<br>SUITE 600<br>ATLANTA, GA 64141 | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                                                                                                                                                    |
| <hr/>                                                                     |                                             |                                                                                                                                                                    |
| (a) Enter service provider name as it appears on line 2                   | (b) Service Codes<br>(see instructions)     | (c) Enter amount of indirect compensation                                                                                                                          |
| TRANSAMERICA RETIREMENT SOLUTIONS                                         | 11 12 15 28 38 50 59 61 62 63<br>64         | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation       |                                             | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| PRUDENTIAL<br>751 BROAD STREET<br>NEWARK, NJ 02021                        | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                                                                                                                                                    |
| <hr/>                                                                     |                                             |                                                                                                                                                                    |
| (a) Enter service provider name as it appears on line 2                   | (b) Service Codes<br>(see instructions)     | (c) Enter amount of indirect compensation                                                                                                                          |
| TRANSAMERICA RETIREMENT SOLUTIONS                                         | 11 12 15 28 38 50 59 61 62 63<br>64         | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation       |                                             | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| PIMCO<br>1345 AVENUE OF THE AMERICAS<br>NEW YORK, NY 02021                | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                                                                                                                                                    |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2                                   | (b) Service Codes<br>(see instructions)     | (c) Enter amount of indirect compensation                                                                                                                          |
|-------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRANSAMERICA RETIREMENT SOLUTIONS                                                         | 11 12 15 28 38 50 59 61 62 63<br>64         | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation                       |                                             | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| OPPENHEIMER<br><br>TWO WORLD FINANCIAL CENTER<br>225 LIBERTY STREET<br>NEW YORK, NY 90210 | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                                                                                                                                                    |

  

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)     | (c) Enter amount of indirect compensation                                                                                                                          |
|---------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRANSAMERICA RETIREMENT SOLUTIONS                                   | 11 12 15 28 38 50 59 61 62 63<br>64         | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation |                                             | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| BLACKROCK<br><br>40 EAST 52ND ST<br>NEW YORK, NY 10022              | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                                                                                                                                                    |

  

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)     | (c) Enter amount of indirect compensation                                                                                                                          |
|---------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRANSAMERICA RETIREMENT SOLUTIONS                                   | 11 12 15 28 38 50 59 61 62 63<br>64         | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation |                                             | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| FRANKLIN<br><br>100 FOUNTAIN PARKWAY<br>ST. PETERSBURG, FL 10580    | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                                                                                                                                                    |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2                                                                                                                                                                                                            | (b) Service Codes<br>(see instructions)     | (c) Enter amount of indirect compensation |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------|
| NATIONAL FINANCIAL SERVICES                                                                                                                                                                                                                                        | 33 71                                       | 0                                         |
| <p><b>(d)</b> Enter name and EIN (address) of source of indirect compensation</p> <p><b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> |                                             |                                           |
| GOLDMAN SACHS<br>3414 PEACHTREE ROAD NE<br>SUITE 600<br>ATLANTA, GA 64141                                                                                                                                                                                          | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                           |
| <p><b>(a)</b> Enter service provider name as it appears on line 2</p> <p><b>(b)</b> Service Codes<br/>(see instructions)</p> <p><b>(c)</b> Enter amount of indirect compensation</p>                                                                               |                                             |                                           |
| NATIONAL FINANCIAL SERVICES                                                                                                                                                                                                                                        | 33 71                                       | 0                                         |
| <p><b>(d)</b> Enter name and EIN (address) of source of indirect compensation</p> <p><b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> |                                             |                                           |
| PRUDENTIAL<br>751 BROAD STREET<br>NEWARK, NJ 02021                                                                                                                                                                                                                 | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                           |
| <p><b>(a)</b> Enter service provider name as it appears on line 2</p> <p><b>(b)</b> Service Codes<br/>(see instructions)</p> <p><b>(c)</b> Enter amount of indirect compensation</p>                                                                               |                                             |                                           |
| NATIONAL FINANCIAL SERVICES                                                                                                                                                                                                                                        | 33 71                                       | 0                                         |
| <p><b>(d)</b> Enter name and EIN (address) of source of indirect compensation</p> <p><b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> |                                             |                                           |
| PIMCO<br>1345 AVENUE OF THE AMERICAS<br>NEW YORK, NY 02021                                                                                                                                                                                                         | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                           |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2                                   | (b) Service Codes<br>(see instructions)     | (c) Enter amount of indirect compensation                                                                                                                          |
|-------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NATIONAL FINANCIAL SERVICES                                                               | 33 71                                       | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation                       |                                             | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| OPPENHEIMER<br><br>TWO WORLD FINANCIAL CENTER<br>225 LIBERTY STREET<br>NEW YORK, NY 90210 | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                                                                                                                                                    |
| <hr/>                                                                                     |                                             |                                                                                                                                                                    |
| (a) Enter service provider name as it appears on line 2                                   | (b) Service Codes<br>(see instructions)     | (c) Enter amount of indirect compensation                                                                                                                          |
| NATIONAL FINANCIAL SERVICES                                                               | 33 71                                       | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation                       |                                             | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| BLACKROCK<br><br>40 EAST 52ND ST<br>NEW YORK, NY 10022                                    | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                                                                                                                                                    |
| <hr/>                                                                                     |                                             |                                                                                                                                                                    |
| (a) Enter service provider name as it appears on line 2                                   | (b) Service Codes<br>(see instructions)     | (c) Enter amount of indirect compensation                                                                                                                          |
| MID ATLANTIC CAPITAL CORPORATION                                                          | 33 71                                       | 0                                                                                                                                                                  |
| (d) Enter name and EIN (address) of source of indirect compensation                       |                                             | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
| FRANKLIN<br><br>100 FOUNTAIN PARKWAY<br>ST. PETERSBURG, FL 10580                          | REVENUE SHARING SEE ATTACHMENT TO LINE 2(H) |                                                                                                                                                                    |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| STEPHENS INC.                                                       | 16 53                                                                                                                                                              | 21077                                        |
|                                                                     |                                                                                                                                                                    |                                              |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                              |
| TRANSAMERICA RETIREMENT SOLUTIONS<br><br>13-3689044                 | COMMISSIONS                                                                                                                                                        |                                              |
|                                                                     |                                                                                                                                                                    |                                              |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect<br>compensation |
|                                                                     |                                                                                                                                                                    |                                              |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                              |
|                                                                     |                                                                                                                                                                    |                                              |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect<br>compensation |
|                                                                     |                                                                                                                                                                    |                                              |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                              |
|                                                                     |                                                                                                                                                                    |                                              |

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|--------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------|
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |

**Part III** **Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

|                                                                     |                                  |
|---------------------------------------------------------------------|----------------------------------|
| <b>a</b> Name: MICHAEL J. HOLM                                      | <b>b</b> EIN: 91-2190307         |
| <b>c</b> Position: ACTUARY                                          |                                  |
| <b>d</b> Address: 135 S. LASALLE ST SUITE 2225<br>CHICAGO, IL 60603 | <b>e</b> Telephone: 312-488-6778 |
|                                                                     |                                  |

Explanation: CHANGE IN ACTUARIAL SERVICE PROVIDER

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><hr/> <b>2013</b><br><br><hr/> <b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

|                                                                                                    |                                                                            |            |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)</u> | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>004</u> |
|                                                                                                    |                                                                            |            |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>VERSO PAPER CORP.</u>   | <b>D</b> Employer Identification Number (EIN)<br><br><u>75-3217389</u>     |            |

|               |                                                                                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                           |                               |                                                                                                                                          |
|-------------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA RUSSELL LARGE CAP VALUE INDEX</u>  |                               |                                                                                                                                          |
| <b>b</b> Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>     |                               |                                                                                                                                          |
| <b>c</b> EIN-PN <u>04-0025081-081</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;">0</span> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA S&amp;P 500 INDEX SL CLASS I</u>   |                               |                                                                                                                                          |
| <b>b</b> Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>     |                               |                                                                                                                                          |
| <b>c</b> EIN-PN <u>04-0025081-065</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;">0</span> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA RUSSELL LARGE CAP GROWTH INDEX</u> |                               |                                                                                                                                          |
| <b>b</b> Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>     |                               |                                                                                                                                          |
| <b>c</b> EIN-PN <u>04-0025081-104</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;">0</span> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>SSGA INTERNATIONAL INDEX NL FUND C</u>  |                               |                                                                                                                                          |
| <b>b</b> Name of sponsor of entity listed in (a): <u>STATE STREET GLOBAL ADVISORS</u>     |                               |                                                                                                                                          |
| <b>c</b> EIN-PN <u>90-0337987-166</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;">0</span> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                                          |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                                          |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                                      |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                                          |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                                          |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                                      |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                                          |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                                          |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                                      |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                           |
| <b>A</b> Name of plan<br><u>VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)</u>                                                                                                                                                                       | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> <u>004</u>                                                                                                                                                                                        |                                                                                           |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>VERSO PAPER CORP.</u>                                                                                                                                                                                | <b>D</b> Employer Identification Number (EIN)<br><br><u>75-3217389</u>                                                                                                                                                                                                       |                                                                                           |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------|
| <b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                               |                       |                 |
| Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                               | (a) Beginning of Year | (b) End of Year |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>                     |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                               |                       |                 |
| <b>(1)</b> Employer contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1b(1)</b>                  | 195896                | 2472026         |
| <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1b(2)</b>                  |                       |                 |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>                  |                       |                 |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(1)</b>                  |                       |                 |
| <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(2)</b>                  |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b>               |                       |                 |
| <b>(B)</b> All other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(B)</b>               |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b>               |                       |                 |
| <b>(B)</b> Common.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(4)(B)</b>               |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>                  |                       |                 |
| <b>(6)</b> Real estate (other than employer real property).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(6)</b>                  |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>                  |                       |                 |
| <b>(8)</b> Participant loans.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(8)</b>                  |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(9)</b>                  | 5020633               | 0               |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(10)</b>                 |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>                 |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(12)</b>                 |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>                 | 15710478              | 21787576        |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>                 |                       |                 |
| <b>(15)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(15)</b>                 |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 20927007              | 24259602        |

**Liabilities**

|                                                                           |           |       |       |
|---------------------------------------------------------------------------|-----------|-------|-------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |       |       |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |       |       |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |       |       |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 37513 | 40700 |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 37513 | 40700 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 20889494 | 24218902 |
|-----------------------------------------------------------|-----------|----------|----------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a</b> Contributions:                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 2472026    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 2472026   |
| <b>b</b> Earnings on investments:                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            |           |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 542230     |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 542230    |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            |           |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            |           |

|                                                                                                |        | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts.....                              | 2b(6)  |            | 664137    |
| (7) Net investment gain (loss) from pooled separate accounts.....                              | 2b(7)  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts.....                      | 2b(8)  |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities.....                            | 2b(9)  |            |           |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | 2b(10) |            | 427123    |
| c Other income.....                                                                            | 2c     |            | 3607      |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 4109123   |

**Expenses**

|                                                                                     |       |        |        |
|-------------------------------------------------------------------------------------|-------|--------|--------|
| e Benefit payment and payments to provide benefits:                                 |       |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers.....      | 2e(1) | 601091 |        |
| (2) To insurance carriers for the provision of benefits.....                        | 2e(2) |        |        |
| (3) Other.....                                                                      | 2e(3) |        |        |
| (4) Total benefit payments. Add lines 2e(1) through (3).....                        | 2e(4) |        | 601091 |
| f Corrective distributions (see instructions).....                                  | 2f    |        |        |
| g Certain deemed distributions of participant loans (see instructions).....         | 2g    |        |        |
| h Interest expense.....                                                             | 2h    |        |        |
| i Administrative expenses: (1) Professional fees.....                               | 2i(1) |        |        |
| (2) Contract administrator fees.....                                                | 2i(2) |        |        |
| (3) Investment advisory and management fees.....                                    | 2i(3) |        |        |
| (4) Other.....                                                                      | 2i(4) | 178624 |        |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |        | 178624 |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |        | 779715 |

**Net Income and Reconciliation**

|                                                         |       |  |         |
|---------------------------------------------------------|-------|--|---------|
| k Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | 3329408 |
| l Transfers of assets:                                  |       |  |         |
| (1) To this plan.....                                   | 2l(1) |  |         |
| (2) From this plan.....                                 | 2l(2) |  |         |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **MAYER HOFFMAN MCCANN P.C.**

(2) EIN: **43-1947695**

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

**b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                               | Yes | No | Amount  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                          |     | X  |         |
| <b>4c</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....                               |     | X  |         |
| <b>4d</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | X   |    | 5000000 |
| <b>4e</b>                                                                                                                                                                                                                     | X   |    | 5000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       |     | X  |         |
| <b>4f</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                    |     | X  |         |
| <b>4g</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                          |     | X  |         |
| <b>4h</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | X   |    |         |
| <b>4i</b>                                                                                                                                                                                                                     | X   |    |         |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) ..... | X   |    |         |
| <b>4j</b>                                                                                                                                                                                                                     | X   |    |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           |     | X  |         |
| <b>4k</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            |     | X  |         |
| <b>4l</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  |     |    |         |
| <b>4m</b>                                                                                                                                                                                                                     |     |    |         |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                      |     |    |         |
| <b>4n</b>                                                                                                                                                                                                                     |     |    |         |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. .... ☐ Yes ☒ No Amount:

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? .... ☒ Yes ☐ No ☐ Not determined

## Part V Trust Information (optional)

|                         |                       |
|-------------------------|-----------------------|
| <b>6a</b> Name of trust | <b>6b</b> Trust's EIN |
|                         |                       |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

|                                                                                                    |                                                                    |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)</u> | <b>B</b> Three-digit plan number (PN) ▶<br><u>004</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>VERSO PAPER CORP.</u>          | <b>D</b> Employer Identification Number (EIN)<br><u>75-3217389</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>13-3689044</u> |          |          |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                            |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>0</u> |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                           |                              |                                        |                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                                       | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A            |
| <b>If the plan is a defined benefit plan, go to line 8.</b>                                                                                                                                                                                                                                                                                                               |                              |                                        |                                         |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. <b>Date:</b> Month _____ Day _____ Year _____<br><b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b> |                              |                                        |                                         |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....                                                                                                                                                                                                                             | <b>6a</b>                    |                                        |                                         |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year.....                                                                                                                                                                                                                                                                                 | <b>6b</b>                    |                                        |                                         |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) .....                                                                                                                                                                                                                          | <b>6c</b>                    |                                        |                                         |
| <b>If you completed line 6c, skip lines 8 and 9.</b>                                                                                                                                                                                                                                                                                                                      |                              |                                        |                                         |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline?.....                                                                                                                                                                                                                                                                         | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A            |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....                                                                                                | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                             |                              |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....                                                     | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%
- b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

**VERSO PAPER CORP. PENSION PLAN  
FOR HOURLY EMPLOYEES (ANDROSCOGGIN)**

---

Financial Statements  
Years Ended December 31, 2013 and 2012

# VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)

## Contents

---

|                                                                | Page  |
|----------------------------------------------------------------|-------|
| Independent Auditor's Report                                   | 2-3   |
| Statements of Net Assets Available for Benefits                | 4     |
| Statements of Changes in Net Assets Available for Benefits     | 5     |
| Notes to Financial Statements                                  | 6-15  |
| Supplemental Schedules                                         |       |
| Schedule H, Line 4i - Schedule of Assets (Held at End of Year) | 16    |
| Schedule H, Line 4j - Schedule of Reportable Transactions      | 17-18 |



## **Independent Auditor's Report**

To the Benefits Committee  
Verso Paper Corp. Pension Plan for  
Hourly Employees (Androscoggin)  
Memphis, Tennessee

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin) (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion.

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 5 which was certified by State Street Bank and Trust Company and Nationwide Trust Company, FSB, the custodians of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the custodians as of December 31, 2013 and 2012 and for the years then ended that the information provided to the plan administrator by the custodians is complete and accurate.

### ***Disclaimer of Opinion***

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.



***Other Matter***

The supplemental schedule of assets (held at end of year) as of December 31, 2013 and the schedule of reportable transactions for the year ended December 31, 2013, which are the responsibility of plan management, are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedules referred to above.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the financial statements and the supplemental schedules, other than that derived from the information certified by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Mayer Hoffman McCann P.C.*

Memphis, Tennessee  
October 8, 2014

**VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)**

Statements of Net Assets Available for Benefits  
December 31, 2013 and 2012

---

---

|                                   | <u>2013</u>                 | <u>2012</u>                 |
|-----------------------------------|-----------------------------|-----------------------------|
| Assets                            |                             |                             |
| Investments                       |                             |                             |
| Mutual funds                      | \$ 21,787,576               | \$ 15,710,478               |
| Common/collective trust funds     | <u>-</u>                    | <u>5,020,633</u>            |
|                                   | 21,787,576                  | 20,731,111                  |
| Receivables                       |                             |                             |
| Employer contributions            | <u>2,472,026</u>            | <u>195,896</u>              |
| Total assets                      | 24,259,602                  | 20,927,007                  |
| Liabilities                       |                             |                             |
| Accrued expenses                  | <u>40,700</u>               | <u>37,513</u>               |
| Net assets available for benefits | \$ <u><u>24,218,902</u></u> | \$ <u><u>20,889,494</u></u> |

The accompanying notes are an integral  
part of these financial statements.

## VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)

### Statements of Changes in Net Assets Available for Benefits For the Years Ended December 31, 2013 and 2012

|                                                 | <u>2013</u>          | <u>2012</u>          |
|-------------------------------------------------|----------------------|----------------------|
| Additions to net assets attributed to:          |                      |                      |
| Investment income                               |                      |                      |
| Net appreciation in fair value of investments   | \$ 1,094,867         | \$ 1,132,478         |
| Dividends                                       | 542,230              | 448,991              |
| Investment expense                              | <u>-</u>             | <u>(54,775)</u>      |
|                                                 | 1,637,097            | 1,526,694            |
| Employer contributions                          | <u>2,472,026</u>     | <u>1,895,896</u>     |
| Total additions                                 | 4,109,123            | 3,422,590            |
| Deductions from net assets attributed to:       |                      |                      |
| Benefits paid to participants and beneficiaries | 601,091              | 423,293              |
| PBGC premiums                                   | 97,224               | 124,309              |
| Administrative expenses                         | <u>81,400</u>        | <u>55,802</u>        |
| Total deductions                                | <u>779,715</u>       | <u>603,404</u>       |
| Net increase in net assets                      | 3,329,408            | 2,819,186            |
| Net assets available for benefits               |                      |                      |
| Beginning of year                               | <u>20,889,494</u>    | <u>18,070,308</u>    |
| End of year                                     | <u>\$ 24,218,902</u> | <u>\$ 20,889,494</u> |

The accompanying notes are an integral  
part of these financial statements.

## VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)

Notes to Financial Statements  
December 31, 2013 and 2012

---

### Note 1 - Description of Plan

The following description of Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin) provides only general information. Readers should refer to the Plan Agreement for a more complete description of the Plan's provisions.

#### General

Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin) (the "Plan") is a non-contributory defined benefit pension plan covering full time and part time hourly employees of Verso Paper Corp. (the "Company") who have attained the age of twenty-one (21) and completed one year of service at the Androscoggin Mill in Jay, Maine. The Plan was established on April 30, 2011 for the benefit of eligible employees, retired employees, and/or their beneficiaries. Employees who were participants in the Verso Paper Corp. Pension Plan for Hourly Employees as of April 30, 2011 became participants in the Plan as of April 30, 2011. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Plan is administered by the Company's Benefits Committee. The committee has overall responsibility for the operations and administration of the Plan. The committee determines the appropriateness of the Plan's investment offerings and monitors investment performance.

#### Pension benefits

For employees hired prior to October 1, 2007, the monthly benefit is equal to \$50 per month for each year of credited service including \$3 per year of credited service under the International Paper Retirement Plan. For employees hired on or after October 1, 2007, the monthly benefit is equal to \$45 per month for each year of credited service. The Plan permits reduced benefits for certain participants electing early retirement as defined in the Plan Agreement.

With respect to any participant who became a participant as of April 30, 2011, the plan administrator shall credit the participant with the credited service earned under Verso Paper Corp. Pension Plan for Hourly Employees as of April 30, 2011.

#### Vesting

Benefits become vested after a participant has five years of vesting service or after attainment of age sixty-five (65).

#### Death and disability benefits

If an active participant dies, the participant's surviving spouse is entitled to a death benefit as defined in the Plan Agreement. Active participants who become totally disabled receive annual benefits as defined in the Plan Agreement.

## **VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)**

Notes to Financial Statements (Continued)  
December 31, 2013 and 2012

---

### **Note 2 - Summary of significant accounting policies**

#### **Basis of accounting**

The financial statements of the Plan are prepared using the accrual method of accounting.

#### **Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, disclosures of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Accordingly, actual results could differ from those estimates.

#### **Investments**

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The Plan's Benefits Committee determines the Plan's valuation policies, in accordance with accounting principles generally accepted in the United States of America, utilizing information provided by the custodian. See note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### **Benefit payments**

Benefit payments are recorded when paid.

#### **Administrative expenses**

The Plan's expenses are paid either by the Plan or the Company, as provided by the Plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment related expenses reduced investment income presented in the accompanying statements of changes in net assets available for benefits.

### **Note 3 - Actuarial present value of accumulated plan benefits**

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service rendered by employees through the valuation date. Accumulated plan benefits include benefits expected to be paid to

# **VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)**

Notes to Financial Statements (Continued)  
December 31, 2013 and 2012

## Note 3 - Actuarial present value of accumulated plan benefits (continued)

retired or terminated employees or their beneficiaries, beneficiaries of employees who have died, and present employees or their beneficiaries. The accumulated plan benefits are based upon date of retirement and years of credited service, as detailed in the Plan Agreement. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's independent enrolled actuary, and is the amount that results from applying actuarial assumptions to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The actuarial present value of accumulated plan benefits is presented on a beginning of year benefit information date.

The actuarial present value of accumulated plan benefits as of January 1, 2013 and 2012 is as follows:

|                                                             | <u>2013</u>          | <u>2012</u>          |
|-------------------------------------------------------------|----------------------|----------------------|
| Vested benefits                                             |                      |                      |
| Participants and beneficiaries currently receiving payments | \$ 5,263,744         | \$ 5,010,699         |
| Other participants                                          | <u>17,135,367</u>    | <u>16,607,321</u>    |
|                                                             | 22,399,111           | 21,618,020           |
| Non-vested benefits                                         | <u>335,328</u>       | <u>268,768</u>       |
| Total actuarial present value of accumulated plan benefits  | <u>\$ 22,734,439</u> | <u>\$ 21,886,788</u> |

The changes in the actuarial present value of accumulated plan benefits during 2013 and 2012 are as follows:

|                                                                                      | <u>2013</u>          | <u>2012</u>          |
|--------------------------------------------------------------------------------------|----------------------|----------------------|
| Actuarial present value of accumulated plan benefits as of beginning of prior year * | \$ 21,886,788        | \$ 18,647,740        |
| Benefits accrued and actuarial experience                                            | 2,685,315            | 1,753,250            |
| Interest accumulated                                                                 | 1,240,846            | 578,109              |
| Actuarial assumption changes                                                         | (2,655,217)          | 1,160,409            |
| Benefits paid during the year                                                        | <u>(423,293)</u>     | <u>(252,720)</u>     |
| Actuarial present value of accumulated plan benefits as of beginning of current year | <u>\$ 22,734,439</u> | <u>\$ 21,886,788</u> |

\* Beginning of prior year in 2012 column is May 1, 2011.

# **VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)**

Notes to Financial Statements (Continued)  
December 31, 2013 and 2012

## **Note 3 - Actuarial present value of accumulated plan benefits (continued)**

The more significant methods and assumptions, including changes from the prior year, used by the actuaries in their valuation are as follows:

Actuarial cost method - Traditional Unit Credit Actuarial Cost Method, prior year was projected unit credit cost method  
Asset valuation - Market value of assets on valuation date  
Interest rate - 6.41% effective rate for 2013; 7.13% effective rate for 2012  
Normal retirement age - 65  
Early retirement age - 55 with 10 years of credited service, benefit formula  
Expected Investment Return: 6.50%; 5.72% for 2012  
Basis of accumulated plan benefits - credited years of service, benefit formula  
Mortality rates - Static mortality table in accordance with IRS Regulation 1.430(h)(3)-1 for the respective valuation year

The foregoing actuarial assumptions are based upon the presumption that the Plan will continue. If the Plan were terminated, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

## **Note 4 - Investments**

The fair value of the individual investments which represent five percent (5%) or more of the Plan's net assets available for benefits as of December 31, 2013 and 2012 is as follows:

|                                                           | 2013         | 2012         |
|-----------------------------------------------------------|--------------|--------------|
| Vanguard Short Term Bond Index Signal Fund                | \$ 3,060,040 | \$ 1,838,706 |
| Vanguard Growth Index Signal Fund                         | 2,558,740    | -            |
| Vanguard Russell 1000 Value Index Fund                    | 1,836,168    | -            |
| Vanguard Small Cap Growth Index Admiral Fund              | 1,368,313    | 437,303 *    |
| Templeton Global Bond Fund                                | 1,284,386    | -            |
| Vanguard Intermediate Term Investment Grade Fund          | 1,274,526    | 208,830 *    |
| Vanguard Intermediate Term Bond Index Signal Admiral Fund | 1,262,441    | 7,219,458    |
| DFA Inflation Protected Securities I Fund                 | -            | 3,499,128    |
| SSgA Russell Large Cap Value Index SL Class I Fund        | -            | 2,632,532    |
| SSgA Russell Large Cap Growth Index SL Fund               | -            | 1,489,405    |

\* Presented for comparative purposes only. Does not represent 5% or more of the fair value of the Plan's net assets as of December 31, 2012.

## VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)

Notes to Financial Statements (Continued)  
December 31, 2013 and 2012

### Note 4 - Investments (continued)

During 2013 and 2012, the Plan's investments (including investments bought, sold and held during the year) appreciated in value as follows:

|                               | <u>2013</u>         | <u>2012</u>         |
|-------------------------------|---------------------|---------------------|
| Mutual funds                  | \$ 464,085          | \$ 780,346          |
| Common/collective trust funds | <u>630,782</u>      | <u>352,132</u>      |
|                               | <u>\$ 1,094,867</u> | <u>\$ 1,132,478</u> |

### Note 5 - Information prepared and certified by the custodians

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, State Street Bank and Trust Company and Nationwide Trust Company, FSB, the custodians of the Plan, have certified that the following data included in the accompanying financial statements and the supplemental schedules is complete and accurate.

- Investments at fair value
- Net appreciation in fair value of investments
- Dividends
- Schedule of assets (held at end of year)
- Schedule of reportable transactions

The Plan's independent public accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and the supplemental schedules.

### Note 6 - Fair value measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below.

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

## VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)

Notes to Financial Statements (Continued)  
December 31, 2013 and 2012

---

### Note 6 - Fair value measurements (continued)

**Level 2:** Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2013 and 2012.

*Mutual funds:* Valued at the daily closing price as reported by the funds. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Common/collective trust funds:* Valued at the NAV units of the collective trust. The NAV, as provided by the custodians, is used as a practical expedient to estimating fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Principal transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although plan management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# **VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)**

Notes to Financial Statements (Continued)  
December 31, 2013 and 2012

## Note 6 - Fair value measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2013 and 2012.

|                      | <b>Investments at Fair Value as of December 31, 2013</b> |                |                |                      |
|----------------------|----------------------------------------------------------|----------------|----------------|----------------------|
|                      | <u>Level 1</u>                                           | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>         |
| Mutual funds         |                                                          |                |                |                      |
| Fixed income         | \$ 10,522,346                                            | \$ -           | \$ -           | \$ 10,522,346        |
| Large capital equity | 5,987,202                                                | -              | -              | 5,987,202            |
| Small capital equity | 2,526,554                                                | -              | -              | 2,526,554            |
| Real estate          | 1,030,732                                                | -              | -              | 1,030,732            |
| Energy               | 689,657                                                  | -              | -              | 689,657              |
| Emerging markets     | 621,490                                                  | -              | -              | 621,490              |
| Commodities          | <u>409,595</u>                                           | <u>-</u>       | <u>-</u>       | <u>409,595</u>       |
| Total                | <u>\$ 21,787,576</u>                                     | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 21,787,576</u> |

|                                     | <b>Investments at Fair Value as of December 31, 2012</b> |                     |                |                      |
|-------------------------------------|----------------------------------------------------------|---------------------|----------------|----------------------|
|                                     | <u>Level 1</u>                                           | <u>Level 2</u>      | <u>Level 3</u> | <u>Total</u>         |
| Mutual funds                        |                                                          |                     |                |                      |
| Fixed income                        | \$ 13,630,980                                            | \$ -                | \$ -           | \$ 13,630,980        |
| Small capital equity                | 876,490                                                  | -                   | -              | 876,490              |
| Emerging markets                    | 467,142                                                  | -                   | -              | 467,142              |
| Money market                        | 329,667                                                  | -                   | -              | 329,667              |
| Real estate                         | 203,517                                                  | -                   | -              | 203,517              |
| Commodities                         | <u>202,682</u>                                           | <u>-</u>            | <u>-</u>       | <u>202,682</u>       |
| Total mutual funds                  | 15,710,478                                               | -                   | -              | 15,710,478           |
| Common/collective trust funds       |                                                          |                     |                |                      |
| Large capital equity                | -                                                        | 4,552,100           | -              | 4,552,100            |
| International equity                | <u>-</u>                                                 | <u>468,533</u>      | <u>-</u>       | <u>468,533</u>       |
| Total common/collective trust funds | <u>-</u>                                                 | <u>5,020,633</u>    | <u>-</u>       | <u>5,020,633</u>     |
| Total                               | <u>\$ 15,710,478</u>                                     | <u>\$ 5,020,633</u> | <u>\$ -</u>    | <u>\$ 20,731,111</u> |

The fair value of the investments in the common/collective trust funds has been estimated using the net asset value of the investments. The common/collective trust funds listed above are redeemed on a daily basis and do not have any redemption restrictions. Additionally, there are no unfunded commitments.

## VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)

Notes to Financial Statements (Continued)  
December 31, 2013 and 2012

---

### Note 7 - Funding policy

The Company's funding policy is to make contributions to the Plan in the amounts that are estimated to fully provide all accrued benefits by the time each participant retires and to meet the minimum funding requirements of ERISA. The Company's contributions are to be made in cash no later than the earlier of the date permitted by law for meeting the minimum funding standards or the date for making tax deductible contributions. Based upon the January 1, 2013 actuarial valuation, the minimum contribution required by the Company was \$2,212,648 for the year ended December 31, 2013. Based upon the January 1, 2012 actuarial valuation, the minimum contribution required by the Company was \$1,828,584 for the year ended December 31, 2012. Actual contributions by the Company totaled \$2,472,026 for 2013 and \$1,895,896 for 2012. The Plan was able to apply credit balances in order to meet minimum funding for 2013.

### Note 8 - Related party transactions

Plan investments consist of mutual funds offered through State Street Bank and Trust Company. State Street Bank and Trust Company is the custodian for the Plan and these investments and related investment transactions qualify as party-in-interest transactions. Transamerica Retirement Solutions Corporation is the third-party administrator for the Plan.

Prior to July 11, 2012, Nationwide Trust Company, FSB was the custodian and the third-party administrator for the Plan. Plan investments during this time consisted of interests in certain mutual funds. These investments and related investment transactions qualified as party-in-interest transactions.

Fees paid to related parties totaled \$81,400 in 2013 and \$94,875 in 2012.

The Company provides the Plan with certain management and administrative services for which no fees are charged.

### Note 9 - Plan termination

Although it has not expressed the intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Benefits attributable to employee contributions, if any, taking into account those paid out before termination.

## VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)

Notes to Financial Statements (Continued)  
December 31, 2013 and 2012

---

### Note 9 - Plan termination (continued)

- b. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would be payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- c. Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations discussed below.
- d. Vested benefits not insured by the PBGC.
- e. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2014, that ceiling is \$4,943 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

### Note 10 - Tax status

The Plan has not yet obtained a tax determination letter from the Internal Revenue Service (IRS); however, plan management believes that the Plan and related trust are currently designed in accordance with the applicable sections of the Internal Revenue Code (IRC). Plan management intends to file for a determination letter in the near future.

## **VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)**

Notes to Financial Statements (Continued)  
December 31, 2013 and 2012

---

### **Note 10 - Tax status (continued)**

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods.

### **Note 11 - Risks and uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

### **Note 12 - Subsequent events**

Plan management has evaluated subsequent events through October 8, 2014, which is the date that the financial statements were available to be issued. No significant matters were identified for disclosure during this evaluation.

## **SUPPLEMENTAL SCHEDULES**

**VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

EIN: 75-3217389 / Plan Number: 004

December 31, 2013

| <u>(a)</u> | <u>(b)(c) Identity of Issue/Description</u>                  | <u>Number<br/>of Shares</u> | <u>(d) Cost</u>      | <u>Current<br/>(e) Value</u> |
|------------|--------------------------------------------------------------|-----------------------------|----------------------|------------------------------|
|            | <u>Mutual funds</u>                                          |                             |                      |                              |
|            | Vanguard Short Term Bond Index Signal Fund                   | 291,710                     | \$ 3,088,003         | \$ 3,060,040                 |
|            | Vanguard Growth Index Signal Fund                            | 57,733                      | 2,160,185            | 2,558,740                    |
|            | Vanguard Russell 1000 Value Index Fund                       | 11,434                      | 1,575,747            | 1,836,168                    |
|            | Vanguard Small Cap Growth Index Admiral<br>Fund              | 31,836                      | 1,111,562            | 1,368,313                    |
|            | Templeton Global Bond Fund                                   | 98,120                      | 1,284,362            | 1,284,386                    |
|            | Vanguard Intermediate Term Investment Grade<br>Admiral Fund  | 131,802                     | 1,301,453            | 1,274,526                    |
|            | Vanguard Intermediate Term Bond Index<br>Signal Admiral Fund | 113,836                     | 1,376,899            | 1,262,441                    |
|            | Vanguard Small Cap Value Index Admiral Fund                  | 27,696                      | 935,749              | 1,158,241                    |
|            | Goldman Sachs High Yield Floating Rate Fund                  | 105,997                     | 1,065,318            | 1,070,574                    |
|            | Vanguard REIT Index Signal Fund                              | 42,157                      | 1,074,273            | 1,030,732                    |
|            | Vanguard 500 Index Signal Fund                               | 6,579                       | 806,618              | 925,863                      |
|            | Prudential High Yield Z Fund                                 | 150,903                     | 841,652              | 866,184                      |
|            | MainGate MLP Fund                                            | 55,483                      | 641,724              | 689,657                      |
|            | Vanguard Developed Markets Index Fund                        | 20,031                      | 593,113              | 666,430                      |
|            | BlackRock Long Duration Bond Investment<br>Fund              | 67,611                      | 683,212              | 641,625                      |
|            | Oppenheimer International Bond Fund                          | 104,404                     | 638,931              | 634,773                      |
|            | Vanguard Emerging Markets Stock Index<br>Signal Fund         | 19,035                      | 611,832              | 621,491                      |
|            | Vanguard Long Term Investment-Grade<br>Admiral Fund          | 44,331                      | 429,164              | 427,796                      |
|            | PIMCO Commodity Real Return Strategy<br>Institutional Fund   | 74,607                      | <u>460,682</u>       | <u>409,596</u>               |
|            |                                                              |                             | <u>\$ 20,680,479</u> | <u>\$ 21,787,576</u>         |

**VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)**

Schedule H, Line 4j - Schedule of Reportable Transactions

EIN: 75-3217389 / Plan Number: 004

For the Year Ended December 31, 2013

| Identity of<br>(a) Party Involved | (b) Description of Asset                                    | Purchase<br>(c) Price | Selling<br>(d) Price | Cost of<br>(g) Asset | Current<br>Value at     |    | Net Gain<br>(i) (Loss) |
|-----------------------------------|-------------------------------------------------------------|-----------------------|----------------------|----------------------|-------------------------|----|------------------------|
|                                   |                                                             |                       |                      |                      | Transaction<br>(h) Date |    |                        |
| <u>Single 5% transactions</u>     |                                                             |                       |                      |                      |                         |    |                        |
| Transamerica                      | SSgA Russell Large Cap Value Index SL<br>Class I Fund       | \$ -                  | \$ 2,920,513         | \$ 2,435,284         | \$ 2,920,513            | \$ | 485,229                |
| Transamerica                      | SSgA Russell Large Cap Growth Index SL<br>Class I Fund      | -                     | 1,604,037            | 1,420,580            | 1,604,037               |    | 183,457                |
| Transamerica                      | Templeton Global Bond Fund                                  | 1,266,210             | -                    | 1,266,210            | 1,266,210               |    | -                      |
| Transamerica                      | DFA Inflation-Protected Securities I Fund                   | -                     | 3,183,086            | 3,463,981            | 3,183,086               |    | (280,895)              |
| Transamerica                      | Vanguard Growth Index Signal Fund                           | 1,604,037             | -                    | 1,604,037            | 1,604,037               |    | -                      |
| Transamerica                      | Vanguard Short Term Bond Index Signal<br>Fund               | 1,639,639             | -                    | 1,639,639            | 1,639,639               |    | -                      |
| Transamerica                      | Vanguard Intermediate Term Bond Index<br>Signal Fund        | -                     | 5,445,173            | 5,846,408            | 5,445,173               |    | (401,235)              |
| Transamerica                      | Vanguard Intermediate Term Investment<br>Grade Admiral Fund | 1,059,387             | -                    | 1,059,387            | 1,059,387               |    | -                      |
| Transamerica                      | Vanguard Russell 1000 Value Index Fund                      | 2,920,513             | -                    | 2,920,513            | 2,920,513               |    | -                      |
| Transamerica                      | Vanguard Russell 1000 Value Index Fund                      | -                     | 1,539,152            | 1,426,317            | 1,539,152               |    | 112,835                |
| Transamerica                      | Goldman Sachs High Yield Floating Rate<br>Fund              | 1,055,175             | -                    | 1,055,175            | 1,055,175               |    | -                      |

**VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)**

Schedule H, Line 4j - Schedule of Reportable Transactions (Continued)

EIN: 75-3217389 / Plan Number: 004

For the Year Ended December 31, 2013

| Identity of<br>(a) Party Involved | (b) Description of Asset                                 | Purchase  |           | Selling<br>(d) Price | Cost of<br>(g) Asset | Current<br>Value on |           | Net Gain<br>(i) (Loss) |           |
|-----------------------------------|----------------------------------------------------------|-----------|-----------|----------------------|----------------------|---------------------|-----------|------------------------|-----------|
|                                   |                                                          | (c) Price | (e) Price |                      |                      | (h) Date            | (j) Date  |                        |           |
| Series 5% transactions            |                                                          |           |           |                      |                      |                     |           |                        |           |
| Transamerica                      | SSgA Russell Large Cap Value Index SL Class I Fund       | \$ -      | \$ -      | 2,920,996            | \$ -                 | \$ -                | 2,920,996 | \$ -                   | 485,300   |
| Transamerica                      | SSgA Russell Large Cap Growth Index SL Fund              | -         | -         | 1,604,305            | -                    | -                   | 1,604,305 | -                      | 183,483   |
| Transamerica                      | Templeton Global Bond Fund                               | 1,284,362 | -         | -                    | -                    | 1,284,362           | 1,284,362 | -                      | -         |
| Transamerica                      | DFA Inflation-Protected Securities I Fund                | 66,636    | -         | -                    | -                    | 66,636              | 66,636    | -                      | -         |
| Transamerica                      | Vanguard Growth Index Signal Fund                        | 2,160,185 | -         | 3,286,748            | -                    | 3,569,053           | 3,286,748 | -                      | (282,305) |
| Transamerica                      | Vanguard Short Term Bond Index Signal Fund               | 1,690,418 | -         | -                    | -                    | 2,160,185           | 2,160,185 | -                      | -         |
| Transamerica                      | Vanguard Intermediate Term Bond Index Signal Fund        | 266,270   | -         | 441,087              | -                    | -                   | 1,690,418 | -                      | -         |
| Transamerica                      | Vanguard Intermediate Term Investment Grade Admiral Fund | 1,092,309 | -         | 5,803,980            | -                    | 446,370             | 441,087   | -                      | (5,283)   |
| Transamerica                      | Vanguard Russell 1000 Value Index Fund                   | 3,002,065 | -         | -                    | -                    | 266,270             | 266,270   | -                      | -         |
| Transamerica                      | Goldman Sachs High Yield Floating Rate Fund              | 1,065,318 | -         | 1,539,152            | -                    | 6,214,115           | 5,803,980 | -                      | (410,135) |
| Transamerica                      |                                                          | -         | -         | -                    | -                    | 1,092,309           | 1,092,309 | -                      | -         |
| Transamerica                      |                                                          | -         | -         | -                    | -                    | 3,002,065           | 3,002,065 | -                      | -         |
| Transamerica                      |                                                          | -         | -         | -                    | -                    | 1,426,317           | 1,539,152 | -                      | 112,835   |
| Transamerica                      |                                                          | -         | -         | -                    | -                    | 1,065,318           | 1,065,318 | -                      | -         |
| Transamerica                      |                                                          | -         | -         | -                    | -                    | -                   | -         | -                      | -         |

**Attachment to 2013 Form 5500 Schedule SB,  
Line 26 – Schedule of Active Participant Data**

**Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.**

**E.I.N.: 75-3217389 Plan No.: 004  
Plan Year: January 1, 2013 to December 31, 2013**

---

| .....Completed Years of Credited Service ..... |                     |                     |                     |                       |                       |                       |                       |                       |                       |          |              |
|------------------------------------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------|--------------|
| <u>Age</u>                                     | 0<br>to<br><u>1</u> | 1<br>to<br><u>4</u> | 5<br>to<br><u>9</u> | 10<br>to<br><u>14</u> | 15<br>to<br><u>19</u> | 20<br>to<br><u>24</u> | 25<br>to<br><u>29</u> | 30<br>to<br><u>34</u> | 35<br>to<br><u>39</u> | 40<br>±  | <u>Total</u> |
| 0 – 24                                         | 0                   | 2                   | 0                   | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0        | 2            |
| 25 – 29                                        | 0                   | 6                   | 7                   | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0        | 13           |
| 30 – 34                                        | 0                   | 5                   | 7                   | 5                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0        | 17           |
| 35 – 39                                        | 0                   | 6                   | 18                  | 9                     | 3                     | 0                     | 0                     | 0                     | 0                     | 0        | 36           |
| 40 – 44                                        | 0                   | 9                   | 29                  | 14                    | 3                     | 4                     | 6                     | 0                     | 0                     | 0        | 65           |
| 45 – 49                                        | 0                   | 7                   | 14                  | 22                    | 6                     | 13                    | 69                    | 0                     | 0                     | 0        | 131          |
| 50 – 54                                        | 0                   | 13                  | 9                   | 16                    | 5                     | 18                    | 116                   | 24                    | 5                     | 0        | 206          |
| 55 – 59                                        | 0                   | 11                  | 7                   | 13                    | 3                     | 10                    | 53                    | 18                    | 26                    | 0        | 141          |
| 60 – 64                                        | 0                   | 7                   | 1                   | 4                     | 0                     | 7                     | 32                    | 4                     | 21                    | 5        | 81           |
| 65 – 69                                        | 0                   | 0                   | 0                   | 0                     | 0                     | 0                     | 1                     | 0                     | 0                     | 7        | 8            |
| 70 & Up                                        | <u>0</u>            | <u>0</u>            | <u>0</u>            | <u>1</u>              | <u>0</u>              | <u>0</u>              | <u>2</u>              | <u>0</u>              | <u>0</u>              | <u>0</u> | <u>3</u>     |
| Totals                                         | 0                   | 66                  | 92                  | 84                    | 20                    | 52                    | 279                   | 46                    | 52                    | 12       | 703          |

**Attachment to 2013 Form 5500 Schedule SB,  
Part V – Statement of Actuarial Assumptions/Methods**

**Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.**

**E.I.N.: 75-3217389 Plan No.: 004  
Plan Year: January 1, 2013 to December 31, 2013**

---

**A    ACTUARIAL COST METHOD**

The actuarial cost method used to determine the target normal cost, target liability and required contribution amounts for the plan is the Traditional Unit Credit Actuarial Cost Method. Under this method, both the target normal cost and target liability are based on the annual accrual of benefits as accruals occur each year.

The target liability for each active plan participant is equal to the actuarial present value of the participant's accrued benefit as of the valuation date. The total target liability of the plan is equal to the sum of such liabilities as determined for each active participant plus the actuarial present value of benefits being paid, or due to be paid, to retirees, beneficiaries and former participants with deferred vested benefits.

The target normal cost for each active participant is equal to the actuarial present value of the benefit expected to be earned during the year starting on the valuation date. The total target normal cost of the plan is the sum of the target normal costs for each active plan participant.

All employees who are plan participants on a valuation date are included in the actuarial valuation.

**B    ASSET VALUATION METHOD**

The actuarial value of assets is equal to the market value of assets on the valuation date.

**Attachment to 2013 Form 5500 Schedule SB,  
Part V – Statement of Actuarial Assumptions/Methods**

**Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.**

**E.I.N.: 75-3217389 Plan No.: 004  
Plan Year: January 1, 2013 to December 31, 2013**

---

**C    INTEREST RATE METHODS**

Target Liability Interest Rates

Segment rates for the September prior to the valuation date as adjusted in accordance with Code Section 430(h)(2)(C)(iv).

PBGC Interest Rates

Based on the alternative premium funding target and the Target Liability Interest Rates, unadjusted by Code Section 430(h)(2)(C)(iv).

Expected Investment Return/  
ASC 960-20 Interest Rate

6.50%. Previously the unadjusted segment rates for the September prior to the valuation date. 5.72% for 2012.

**D    ACTUARIAL ASSUMPTIONS**

Pre- and Post-Retirement Mortality

Static mortality table in accordance with IRS Regulation 1.430(h)(3)-1 for the valuation year.

Withdrawal Rates

Sample rates are as follows:

| <u>Age</u> | <u>&lt;5 Years of Service</u> | <u>&gt;5 Years of Service</u> |
|------------|-------------------------------|-------------------------------|
| 25         | 24.5%                         | 9.6%                          |
| 30         | 21.6%                         | 8.2%                          |
| 35         | 18.7%                         | 6.8%                          |
| 40         | 18.7%                         | 5.4%                          |
| 45         | 18.7%                         | 5.4%                          |
| 50         | 18.7%                         | 5.4%                          |
| 55         | 0.0%                          | 0.0%                          |

**Attachment to 2013 Form 5500 Schedule SB,  
Part V – Statement of Actuarial Assumptions/Methods**

**Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.**

**E.I.N.: 75-3217389 Plan No.: 004  
Plan Year: January 1, 2013 to December 31, 2013**

---

**D    ACTUARIAL ASSUMPTIONS (cont'd)**

**Retirement Rates**

Rates differ for those who were retirement eligible (age 55 with 10 years of service) as of date of divestiture (August 1, 2006) and for those who were not retirement eligible. Retirement eligible employees are Grandfathered for subsidized retiree medical benefits from International Paper.

Rates are as follows:

| <u>Age</u> | <u>Grandfathered</u> | <u>Non-Grandfathered</u> |
|------------|----------------------|--------------------------|
| 55-60      | 1%                   | 0%                       |
| 61         | 10%                  | 0%                       |
| 62         | 50%                  | 20%                      |
| 63         | 30%                  | 10%                      |
| 64         | 20%                  | 10%                      |
| 65         | 80%                  | 80%                      |
| 66-69      | 50%                  | 50%                      |
| 70         | 100%                 | 100%                     |

Terminated vested participants are assumed to retire at age 65.

**Disability Rates**

Sample rates are as follows:

| <u>Age</u> | <u>Male</u> | <u>Female</u> |
|------------|-------------|---------------|
| 25         | 0.089%      | 0.116%        |
| 30         | 0.105%      | 0.155%        |
| 35         | 0.137%      | 0.232%        |
| 40         | 0.202%      | 0.305%        |
| 45         | 0.356%      | 0.463%        |
| 50         | 0.662%      | 0.729%        |
| 55         | 1.187%      | 1.068%        |
| 60         | 1.671%      | 1.253%        |
| 65         | 2.075%      | 1.425%        |

**IRC Maximum Benefit and  
Compensation Limitations**

***Benefit Limit***

\$205,000 for 2013 (previously, \$200,000).

***Compensation Limit***

Not Applicable.

**Form of Payment**

Life annuity.

**Marital Assumption**

It is assumed that 80% of male participants are married and 50% of female participants are married. Husbands are assumed to be three years older than their wives.

**Plan Expenses**

\$185,000 (previously, \$65,000).

**ATTACHMENT TO THE 2013 SCHEDULE H OF FORM 5500**  
**LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR) &**  
**LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS**

Plan Sponsor: Verso Paper Corp.

Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)

Plan Year: January 1, 2013 to December 31, 2013

EIN: 75-3217389

Plan No.: 004

---

**Item 4i- Schedule of Assets Held at End of Year**

Page 16 of the attached auditor's report of the Plan for the plan year ending December 31, 2013 provides the schedule of assets information.

**Item 4j- Schedule of Reportable Transactions**

Page 17-18 of the attached auditor's report of the Plan for the plan year ending December 31, 2013 provides the schedule of reportable transactions.

|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                    |                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500 or 5500-SF.</b> | <small>OMB No. 1210-0110</small><br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                   |                                                             |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013                                                                                                                                                                                                        |                                                             |     |
| ► <b>Round off amounts to nearest dollar.</b>                                                                                                                                                                                                                                                     |                                                             |     |
| ► <b>Caution:</b> A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.                                                                                                                                                                    |                                                             |     |
| <b>A</b> Name of plan<br>VERSO PAPER CORP. PENSION PLAN FOR HOURLY EMPLOYEES (ANDROSCOGGIN)                                                                                                                                                                                                       | <b>B</b> Three-digit plan number (PN) ►                     | 004 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br>VERSO PAPER CORP.                                                                                                                                                                                                     | <b>D</b> Employer Identification Number (EIN)<br>75-3217389 |     |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |                                                             |     |

|                                                                                                                                                                                                         |              |                            |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------|--------------------|
| <b>Part I Basic Information</b>                                                                                                                                                                         |              |                            |                    |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>                                                                                                                       |              |                            |                    |
| <b>2</b> Assets:                                                                                                                                                                                        |              |                            |                    |
| a Market value .....                                                                                                                                                                                    | <b>2a</b>    | 20917829                   |                    |
| b Actuarial value .....                                                                                                                                                                                 | <b>2b</b>    | 20917829                   |                    |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                    |              |                            |                    |
|                                                                                                                                                                                                         |              | (1) Number of participants | (2) Funding Target |
| a For retired participants and beneficiaries receiving payment .....                                                                                                                                    | <b>3a</b>    | 142                        | 5246463            |
| b For terminated vested participants .....                                                                                                                                                              | <b>3b</b>    | 80                         | 1449799            |
| c For active participants:                                                                                                                                                                              |              |                            |                    |
| (1) Non-vested benefits .....                                                                                                                                                                           | <b>3c(1)</b> |                            | 318167             |
| (2) Vested benefits .....                                                                                                                                                                               | <b>3c(2)</b> |                            | 14840905           |
| (3) Total active .....                                                                                                                                                                                  | <b>3c(3)</b> | 703                        | 15159072           |
| d Total .....                                                                                                                                                                                           | <b>3d</b>    | 925                        | 21855334           |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                   |              |                            |                    |
| a Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                      | <b>4a</b>    |                            |                    |
| b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor..... | <b>4b</b>    |                            |                    |
| <b>5</b> Effective interest rate .....                                                                                                                                                                  | <b>5</b>     | 6.78 %                     |                    |
| <b>6</b> Target normal cost .....                                                                                                                                                                       | <b>6</b>     | 2054861                    |                    |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                      |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--|--|-----------------------------------------------------|--|-----------------------------------------------|--|----------------------------------------------------------------------|--|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------|----------|-------------------------------|----------------|----------------------------------------|
| <b>Statement by Enrolled Actuary</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                      |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
| To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.                                                                                |                                                                      |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
| <table style="width:100%;"> <tr> <td style="width:15%;"><b>SIGN HERE</b></td> <td style="width:45%; text-align: center;"> </td> </tr> <tr> <td></td> <td style="text-align: center;">Signature of actuary<br/>Paul W. Foley, A.S.A., E.A.</td> </tr> <tr> <td></td> <td style="text-align: center;">Type or print name of actuary<br/>Transamerica</td> </tr> <tr> <td></td> <td style="text-align: center;">Firm name<br/>24 Prime Park Way<br/>Suite 400<br/>Natick, MA 01760-1528</td> </tr> <tr> <td></td> <td style="text-align: center;">Address of the firm</td> </tr> </table> | <b>SIGN HERE</b>                                                     |  |  | Signature of actuary<br>Paul W. Foley, A.S.A., E.A. |  | Type or print name of actuary<br>Transamerica |  | Firm name<br>24 Prime Park Way<br>Suite 400<br>Natick, MA 01760-1528 |  | Address of the firm | <table style="width:100%;"> <tr> <td style="text-align: center;">09/26/2014</td> </tr> <tr> <td style="text-align: center;">Date</td> </tr> <tr> <td style="text-align: center;">14-05775</td> </tr> <tr> <td style="text-align: center;">Most recent enrollment number</td> </tr> <tr> <td style="text-align: center;">(508) 903-6016</td> </tr> <tr> <td style="text-align: center;">Telephone number (including area code)</td> </tr> </table> | 09/26/2014 | Date | 14-05775 | Most recent enrollment number | (508) 903-6016 | Telephone number (including area code) |
| <b>SIGN HERE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                      |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Signature of actuary<br>Paul W. Foley, A.S.A., E.A.                  |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Type or print name of actuary<br>Transamerica                        |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Firm name<br>24 Prime Park Way<br>Suite 400<br>Natick, MA 01760-1528 |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Address of the firm                                                  |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
| 09/26/2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                      |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
| Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                      |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
| 14-05775                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                      |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
| Most recent enrollment number                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                      |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
| (508) 903-6016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                      |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |
| Telephone number (including area code)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                      |  |  |                                                     |  |                                               |  |                                                                      |  |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |      |          |                               |                |                                        |

**Part II Beginning of Year Carryover and Prefunding Balances**

|                                                                                                                                            | (a) Carryover balance | (b) Prefunding balance |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                   | 0                     | 0                      |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                      | 0                     | 0                      |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>8.34</u> % .....                                                       | 0                     | 0                      |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                             |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                            |                       | 256                    |
| <b>b</b> Interest on (a) using prior year's effective interest rate of <u>7.13</u> % except as otherwise provided (see instructions) ..... |                       | 18                     |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                              |                       | 274                    |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                            |                       | 0                      |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                          | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d - line 12) .....                                               | 0                     | 0                      |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 95.71 %  |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 95.71 %  |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 100.01 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b> | %        |

**Part IV Contributions and Liquidity Shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 04-15-2014               | 101013                            |                                 |                          |                                   |                                 |
| 07-15-2014               | 101013                            |                                 |                          |                                   |                                 |
| 09-15-2014               | 2270000                           |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ►</b>          |                                   |                                 | <b>18(b)</b>             | 2472026                           | <b>18(c)</b> 0                  |

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                         |            |         |
|-------------------------------------------------------------------------------------------------------------------------|------------|---------|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years. ....                    | <b>19a</b> | 0       |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> | 0       |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> | 2214094 |

**20** Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ..... ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---------|---------|---------|---------|
|         |         |         |         |

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost****21** Discount rate:**a** Segment rates:1st segment:  
5.23%2nd segment:  
6.51%3rd segment:  
7.16 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

**22** Weighted average retirement age .....**22**

63

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment .....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years ..... **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) ..... **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6).....**31a**

2054861

**b** Excess assets, if applicable, but not greater than line 31a .....**31b**

0

**32** Amortization installments:

Outstanding Balance

Installment

**a** Net shortfall amortization installment.....

937505

157787

**b** Waiver amortization installment .....**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_) and the waived amount .....**33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) .. **34** 2212648

Carryover balance

Prefunding balance

Total balance

**35** Balances elected for use to offset funding requirement.....

0

0

0

**36** Additional cash requirement (line 34 minus line 35)..... **36** 2212648**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 2214094**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) .....**38a**

1446

**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....**38b**

0

**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) ..... **39** 0**40** Unpaid minimum required contributions for all years ..... **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ..... ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ..... ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011**42** Amount of acceleration adjustment ..... **42** 0**43** Excess installment acceleration amount to be carried over to future plan years ..... **43** 0

# Schedule C, Line 2(h) Formula Descriptions

**Verso Paper Corp. Pension Plan For Hourly Employees (Androscoggin)**

**EIN No.: 75-3217389, Plan No. 004**

**Plan Year Ending: 12/31/2013**

**Indirect Compensation in the form of revenue sharing was paid to the following Service Providers:**

|                                   |            |
|-----------------------------------|------------|
| TRANSAMERICA RETIREMENT SOLUTIONS | 13-3689044 |
| NATIONAL FINANCIAL SERVICES       | 04-3523567 |
| MID ATLANTIC CAPITAL CORPORATION  | 25-1409618 |

Revenue amounts are shown in annualized basis points of plan assets invested in applicable fund

| Fund Family   | Fund Name                      | Start Date | End Date   | Revenue to<br>Transamerica<br>Retirement<br>Solutions | Revenue to National<br>Financial Services | Revenue to Mid<br>Atlantic Capital<br>Corporation |
|---------------|--------------------------------|------------|------------|-------------------------------------------------------|-------------------------------------------|---------------------------------------------------|
| GOLDMAN SACHS | GOLDMAN SACHS FLOATING RATE FD | 9/20/2013  | 12/31/2013 | 16.585                                                | 0.415                                     |                                                   |
| PRUDENTIAL    | PRUDENTIAL HIGH-YIELD Z        | 1/1/2013   | 12/31/2013 | 24.390                                                | 0.610                                     |                                                   |
| PIMCO         | PIMCO COMMODITY FUND           | 1/1/2013   | 12/31/2013 | 2.927                                                 | 0.073                                     |                                                   |
| OPPENHEIMER   | OPPENHEIMER INTERNATIONAL BOND | 9/20/2013  | 12/31/2013 | 24.390                                                | 0.610                                     |                                                   |
| BLACKROCK     | BLACKROCK INVST GRADE BD PORT  | 9/20/2013  | 12/31/2013 | 39.024                                                | 0.976                                     |                                                   |
| FRANKLIN      | TEMPLETON GLOBAL BOND, ADV     | 9/20/2013  | 12/31/2013 | 24.000                                                |                                           | 1.000                                             |

Attachment to 2013 Form 5500 Schedule SB,  
Line 19 – Discounted Employer Contributions

Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.

E.I.N.: 75-3217389 Plan No.: 004  
Plan Year: January 1, 2013 to December 31, 2013

---

| <u>Date</u>        | <u>Actual<br/>Contribution</u> | <u>Discounted<br/>Contribution</u> | <u>Effective<br/>Rate</u> | <u>Plan Year</u>      |
|--------------------|--------------------------------|------------------------------------|---------------------------|-----------------------|
| April 15, 2014     | \$ 101,013                     | \$ 92,847                          | 6.78%                     | 1/1/2013 – 12/31/2013 |
| July 15, 2014      | 101,013                        | 91,341                             | 6.78%                     | 1/1/2013 – 12/31/2013 |
| September 15, 2014 | <u>2,270,000</u>               | <u>2,029,906</u>                   | 6.78%                     | 1/1/2013 – 12/31/2013 |
| Total              | \$ 2,472,026                   | \$ 2,214,094                       |                           |                       |

**Attachment to 2013 Form 5500 Schedule SB,  
Line 22 – Description of Weighted Average Retirement Age**

**Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.**

**E.I.N.: 75-3217389 Plan No.: 004**

**Plan Year: January 1, 2013 to December 31, 2013**

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

Grandfathered

| x  | $q_x^r$ | $l_x$     | ${}_{x-55}p_{55} = \frac{l_x}{l_{55}}$ | $q_x^r * \frac{l_x}{l_{55}}$ | $x * q_x^r * \frac{l_x}{l_{55}}$ |
|----|---------|-----------|----------------------------------------|------------------------------|----------------------------------|
| 55 | 0.01    | 1,000,000 | 1                                      | 0.01                         | 0.55                             |
| 56 | 0.01    | 990,000   | 0.99                                   | 0.0099                       | 0.5544                           |
| 57 | 0.01    | 980,100   | 0.9801                                 | 0.0098                       | 0.558657                         |
| 58 | 0.01    | 970,299   | 0.9703                                 | 0.0097                       | 0.56277342                       |
| 59 | 0.01    | 960,596   | 0.9606                                 | 0.00961                      | 0.56675165                       |
| 60 | 0.01    | 950,990   | 0.95099                                | 0.00951                      | 0.57059403                       |
| 61 | 0.1     | 941,480   | 0.94148                                | 0.09415                      | 5.74302891                       |
| 62 | 0.5     | 847,332   | 0.84733                                | 0.42367                      | 26.2672962                       |
| 63 | 0.3     | 423,666   | 0.42367                                | 0.1271                       | 8.00728867                       |
| 64 | 0.2     | 296,566   | 0.29657                                | 0.05931                      | 3.79604796                       |
| 65 | 0.8     | 237,253   | 0.23725                                | 0.1898                       | 12.3371559                       |
| 66 | 0.5     | 47,451    | 0.04745                                | 0.02373                      | 1.56586978                       |
| 67 | 0.5     | 23,725    | 0.02373                                | 0.01186                      | 0.79479754                       |
| 68 | 0.5     | 11,863    | 0.01186                                | 0.00593                      | 0.4033301                        |
| 69 | 0.5     | 5,931     | 0.00593                                | 0.00297                      | 0.20463071                       |
| 70 | 1       | 2,966     | 0.00297                                | 0.00297                      | 0.20759637                       |

Average age at retirement

62.69

**Rounded for Schedule SB item 22**

**63**

Non-Grandfathered

| x  | $q_x^r$ | $l_x$     | ${}_{x-55}p_{55} = \frac{l_x}{l_{55}}$ | $q_x^r * \frac{l_x}{l_{55}}$ | $x * q_x^r * \frac{l_x}{l_{55}}$ |
|----|---------|-----------|----------------------------------------|------------------------------|----------------------------------|
| 62 | 0.2     | 1,000,000 | 1                                      | 0.2                          | 12.4                             |
| 63 | 0.1     | 800,000   | 0.8                                    | 0.08                         | 5.04                             |
| 64 | 0.1     | 720,000   | 0.72                                   | 0.072                        | 4.608                            |
| 65 | 0.8     | 648,000   | 0.648                                  | 0.5184                       | 33.696                           |
| 66 | 0.5     | 129,600   | 0.1296                                 | 0.0648                       | 4.2768                           |
| 67 | 0.5     | 64,800    | 0.0648                                 | 0.0324                       | 2.1708                           |
| 68 | 0.5     | 32,400    | 0.0324                                 | 0.0162                       | 1.1016                           |
| 69 | 0.5     | 16,200    | 0.0162                                 | 0.0081                       | 0.5589                           |
| 70 | 1       | 8,100     | 0.0081                                 | 0.0081                       | 0.567                            |

Average age at retirement

64.42

**Rounded for Schedule SB item 22**

**64**

**Attachment to 2013 Form 5500 Schedule SB,  
Part V – Summary of Plan Provisions**

**Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.**

**E.I.N.: 75-3217389 Plan No.: 004  
Plan Year: January 1, 2013 to December 31, 2013**

---

|                                   |                                                                                                                                                                                                                                                                                               |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Effective Date</u>             | April 30, 2011 spin-off from Hourly Plan.                                                                                                                                                                                                                                                     |
| <u>Plan Year</u>                  | January 1 through December 31.                                                                                                                                                                                                                                                                |
| <u>Eligibility</u>                | Employees are eligible to enter the plan after completion of one year of Service. Employees who were participants in the International Paper ("IP") Retirement Plan as of August 1, 2006 are participants in the Verso Plan as of August 1, 2006.                                             |
| <u>Service</u>                    | Elapsed time from date of participation to date of termination. Service earned as a participant in the IP Retirement Plan is included.                                                                                                                                                        |
| <u>Normal Retirement Benefit:</u> | <p>A monthly benefit equal to:</p> <ul style="list-style-type: none"><li>- \$3 times IP Service plus</li><li>- Years of Verso Service at the following rates:</li></ul> <p style="margin-left: 40px;">\$50 if employed at 9/30/2007</p> <p style="margin-left: 40px;">\$45 for all others</p> |
| <u>Normal Retirement Age</u>      | Age 65.                                                                                                                                                                                                                                                                                       |
| <u>Early Retirement Date</u>      | A Participant's Early Retirement Date is the first day of the month coincident with age 55 and 10 years of Service.                                                                                                                                                                           |
| <u>Early Retirement Benefit</u>   | The Normal Retirement Benefit is reduced at the following rates:                                                                                                                                                                                                                              |

| <u>Age</u> | <u>Percentage Payable</u> |
|------------|---------------------------|
| 55         | 65%                       |
| 56         | 69%                       |
| 57         | 73%                       |
| 58         | 78%                       |
| 59         | 83%                       |
| 60         | 87%                       |
| 61         | 94%                       |
| 62         | 100%                      |

Unreduced benefits are available at age 61 with 20 or more years of Service at termination.

**Attachment to 2013 Form 5500 Schedule SB,  
Part V – Summary of Plan Provisions**

**Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.**

**E.I.N.: 75-3217389 Plan No.: 004  
Plan Year: January 1, 2013 to December 31, 2013**

---

Termination Benefit

In the event of termination after 5 years of Service, the participant will become entitled to receive a pension benefit commencing on his Normal Retirement Date. An actuarially reduced benefit can commence prior to Normal Retirement Date.

Disability Benefit

A person is eligible for Disability Retirement Benefits upon the first day of the month following exhaustion of short term disability benefits with no years of service or age requirement. The monthly accrued benefit actuarially reduced from Normal Retirement Date for early commencement. If the participant has 10 years of vesting service as of the date of disability there is no reduction for early commencement and minimum benefit prior to age 65 is the lesser of \$400 or a benefit that includes service projected to age 65.

Pre-Retirement Death Benefit

If a vested participant dies before retirement, the spouse receives a monthly payment equal to half of the amount that would have been paid to the participant had the participant retired on his earliest retirement date and elected a 50% qualified joint & survivor annuity.

Normal Form of Payment

Single Life Annuity or actuarially equivalent 50% Joint & Contingent Annuity for married participants

Optional Forms of Payment

50%, 75% or 100% Joint & Contingent Annuity (also available to participants with non-spouse beneficiaries)

5, 10, 15 and 20 year Certain & Continuous Annuity

Social Security Level Option

Small Payments

Lump-sum if value of benefit does not exceed \$5,000

**Attachment to 2013 Form 5500 Schedule SB,  
Part V – Summary of Plan Provisions**

**Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.**

**E.I.N.: 75-3217389 Plan No.: 004  
Plan Year: January 1, 2013 to December 31, 2013**

---

Plan Actuarial Equivalence

Interest Rate: 7.0%

Mortality Table: 1983 Group Annuity Mortality table for males, setback 1 year for participants and 5 years for beneficiaries

For Lump-Sums:

Interest Rate: PPA Segment rates for 2nd months prior to the plan year of determination (November)

Mortality Table: Table described in Revenue Ruling 2007-67 (IRS Notice 2008-85)

Disability Actuarial Equivalence:

Interest Rate: 4.0%

Mortality Table: UP-84

Benefits Not Included

None to our knowledge.

Significant Events that  
Occurred During the Year

None to our knowledge.

Summary of Changes on  
Principal Eligibility on Benefit  
Provisions since the Last  
Valuation

None to our knowledge.

**ATTACHMENT TO THE 2013 SCHEDULE H OF FORM 5500**  
**LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR) &**  
**LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS**

Plan Sponsor: Verso Paper Corp.

Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)

Plan Year: January 1, 2013 to December 31, 2013

EIN: 75-3217389

Plan No.: 004

---

**Item 4i- Schedule of Assets Held at End of Year**

Page 16 of the attached auditor's report of the Plan for the plan year ending December 31, 2013 provides the schedule of assets information.

**Item 4j- Schedule of Reportable Transactions**

Page 17-18 of the attached auditor's report of the Plan for the plan year ending December 31, 2013 provides the schedule of reportable transactions.

**Attachment to 2013 Form 5500 Schedule SB,  
Line 32 – Schedule of Amortization Bases**

**Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.**

**E.I.N.: 75-3217389 Plan No.: 004  
Plan Year: January 1, 2013 to December 31, 2013**

---

Amortization Schedule

| (a)<br><u>Year</u> | (b)<br><u>Type</u> | (c)<br><u>Present Value</u> | (d)<br><u>Years Left</u> | (e)<br><u>Payment</u> |
|--------------------|--------------------|-----------------------------|--------------------------|-----------------------|
| 2008               | Shortfall          | \$ 0                        | 2                        | \$ 0                  |
| 2009               | Shortfall          | 0                           | 3                        | 0                     |
| 2010               | Shortfall          | 0                           | 4                        | 0                     |
| 2011               | Shortfall          | 0                           | 5                        | 0                     |
| 2012               | Shortfall          | 0                           | 6                        | 0                     |
| 2013               | Shortfall          | <u>937,505</u>              | 7                        | <u>157,787</u>        |
| Total              |                    | \$ <u>937,505</u>           |                          | \$ <u>157,787</u>     |

**Attachment to 2013 Form 5500 Schedule SB,  
Line 24 – Change in Actuarial Assumptions**

**Plan Name: Verso Paper Corp. Pension Plan for Hourly Employees (Androscoggin)  
Plan Sponsor: Verso Paper Corp.**

**E.I.N.: 75-3217389 Plan No.: 004  
Plan Year: January 1, 2013 to December 31, 2013**

---

For 2013, plan expenses were equal to \$185,000 (previously, \$65,000).