



**GLATFELTER**  
*Beyond Paper*

# **Summary Plan Description**

## **Glatfelter Retirement Plan for Salaried Employees**

**Cash Balance Benefit**

**Effective January 1, 2007**

# Important Notice

This Summary Plan Description (SPD) describes the Glatfelter Retirement Plan for Salaried Employees with the cash balance benefit. Within this document, you are directed to contact the Glatfelter Pension Service Center with your questions and inquiries. **However, the Service Center is not yet available.**

**You will be notified when the Service Center is ready.  
In the meantime, please contact your local  
human resources department with any of your questions.**

# Overview

This document is the Summary Plan Description (SPD) of the Glatfelter Retirement Plan for Salaried Employees with the cash balance benefit (hereafter referred to as the “Plan” or the “Cash Balance Plan”). The Plan is comprised of two retirement benefits. This SPD describes only the cash balance benefit.

The cash balance benefit and this SPD is applicable to:

- Salaried and non-union hourly employees of the Company’s Ohio Operations, including employees at the Chillicothe and Fremont, Ohio facilities, and other employees classified by the Company as part of its Ohio Operations,
- Salaried employees of the Company’s U.S.-based operations (whether or not part of the Ohio Operations) who are first hired, or rehired, on or after January 1, 2007, and
- Salaried employees of the Glatfelter Pulp Wood Company who are first hired, or rehired, on or after January 1, 2007. *Throughout this document, the term “salaried employees” includes salaried employees of the Glatfelter Pulp Wood Company. The term “Company” or “Glatfelter” means your employer, P.H. Glatfelter Company, and includes the Glatfelter Pulp Wood Company.*

If none of these apply to you, a different SPD describes your benefits. Please contact your local human resources department if you need a copy of that SPD.

The Plan is intended to comply with all applicable requirements of the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, as amended (ERISA). The SPD is only a summary of the Plan and is not meant to be all inclusive. Full Plan details are contained in the official Plan documents that govern the operation of the Plan. Please keep this SPD with your permanent records.

The information contained in the documents is not intended and does not constitute either an employment agreement or contractual relationship, and does not guarantee employment for a specified period of time.

As always, the Plan is subject to change or revision at the discretion of the Company.

## WHAT IS THE GLATFELTER CASH BALANCE BENEFIT?

The Plan is a defined benefit pension plan that is funded entirely by contributions from Glatfelter. The purpose of the Plan is to provide you retirement income that is in addition to any other retirement income that you may be eligible to receive, such as Social Security, a benefit under Glatfelter’s 401(k) Savings Plan, or amounts from your own retirement savings.

Your benefit is determined based on the accumulation of Regular Contribution Credits and Interest Credits (and Transition Contribution Credits, if applicable) to a “cash balance account,” which permits you to see the current value of your accrued retirement benefit at any time. Following termination or retirement from the Company, you can choose to receive your benefit in one of several different forms, including a monthly pension benefit, or a Lump Sum distribution equal to the balance in your cash balance account. The unique feature of the Glatfelter Cash Balance Plan is that you have a choice to receive a conventional pension, or a Lump Sum that you can elect to roll over into an individual retirement account or another eligible retirement plan in order to defer taxes.

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*This Summary Plan Description (SPD) is not intended to be all inclusive, but rather summarize the main features of the Plan. If there are any conflicts between the information presented in this SPD and the legal Plan documents that govern, the legal Plan documents will govern. Glatfelter reserves the right to change or terminate any or all benefits plans and contribution amounts at our discretion. Nothing contained in these materials constitutes, or is intended to create, a promise of continued employment.*

# Summary

This section is a highlight of the Plan's main provisions and is not meant to be all inclusive. For details, refer to the specific sections within this booklet.

- In general, you are eligible to participate in the Plan if you are a salaried or non-union hourly employee of the Company's Ohio Operations, or a salaried employee of the Company's U.S.-based operations (whether or not part of the Ohio Operations) who is first hired, or rehired, on or after January 1, 2007.
- As an eligible employee, you are automatically enrolled in the Plan after you've worked for the Company for at least 12 months, at which point credits will be retroactive to your date of hire as an eligible employee (but not before January 1, 2007, the Plan's effective date).
- In general, the amount of your accrued benefit increases as you continue to work in employment covered by the Plan. (Interest Credits, however, continue to be made to your account until the time you receive or begin to receive your benefit.) Your benefit is based on the accumulated credits made to your cash balance account.
- All contributions to the Plan are made by the Company, including:
  - Regular Contribution Credits – each month the Company credits your account with 5.5 percent of your monthly eligible base pay.
  - Transition Contribution Credits – if you are a U.S.-based salaried or non-union hourly employee in the Ohio Operations and were part of the acquisition by Glatfelter on April 1, 2006, the Company credits an additional contribution at the end of each year (through year 2012) if you meet certain age and service requirements.
  - Interest Credits – each month your account earns interest based on an external index (currently Moody's Aa nominal bond yield).
- Your benefits under the Plan become vested upon completion of three years of Vesting Service, including service with NewPage Corporation (NewPage), MeadWestvaco, and The Mead Corporation (Mead) immediately preceding employment with Glatfelter in April 2006.
- Your cash balance account is a notional account, meaning it is for recordkeeping purposes only. Funding for your account is in a managed pension trust.
- When you leave or retire from Glatfelter, you may choose to receive your Plan benefit as a Lump Sum payment equal to the value of your cash balance account, or have your account converted to an annuity that will pay a monthly benefit for your lifetime, or an annuity that also pays a monthly survivor benefit to your spouse or other beneficiary following your death. If you are married, your spouse must consent to a Lump Sum payment or annuity that does not provide a spousal survivor benefit.
- You do not pay taxes on contributions from Glatfelter, or the Plan benefits until they are distributed to you. You may defer taxes from a Lump Sum distribution by rolling it into another individual retirement account or eligible retirement plan.

**The Glatfelter Pension Service Center administers the Plan benefit.** Direct all questions and inquiries to 866-828-5322. Representatives are available Monday through Friday, 8 a.m. to 8 p.m., Eastern Time.

# Eligibility

You are eligible to participate in the Plan if you meet all of the following requirements:

- You are classified by the Company as a permanent full-time or part-time employee (working at least 30 hours per week).
- You have completed at least 12 months of continuous service with the Company.
- You are included in one of the following classes of eligible employees:
  - Salaried and non-union hourly employees of the Company's Ohio Operations, including employees at the Chillicothe and Fremont, Ohio facilities, and other employees classified by the Company as part of its Ohio Operations.
  - Salaried employees of the Company's U.S.-based operations (whether or not part of the Ohio Operations) who are first hired, or rehired, on or after January 1, 2007.
  - Salaried employees of the Glatfelter Pulp Wood Company who are first hired or rehired on or after January 1, 2007.
  - Union employees of the Ohio Operations who transfer to eligible salaried or non-union hourly employment.

Once you have completed 12 months of continuous service, you will become a participant in the Plan with credits retroactive to your date of hire as an eligible employee (but not before January 1, 2007, the Plan's effective date).

## *Special Rule for Ohio Operations*

If you meet all of the eligibility requirements and were formerly employed by the Chillicothe Operations of NewPage Corporation and were part of the acquisition by Glatfelter in April 2006, you automatically

became a participant in the Plan as of January 1, 2007.

## *Exclusions*

You are not eligible to participate in the Plan if you are:

- classified by the Company as a temporary, seasonal or intern employee;
- represented by a collective bargaining agreement of a labor union, unless the agreement specifically provides for your participation in the Plan;
- an active participant in the Glatfelter Retirement Plan for Hourly Employees;
- an active participant in the Glatfelter Retirement Plan for Salaried Employees with the Traditional Benefit;
- classified by the Company as a leased employee, or are engaged by the Company on an independent contractor basis;
- transferring from a Spring Grove hourly position and were a participant in the Glatfelter Retirement Plan for Hourly Employees prior to December 31, 2006; or
- a Pulp Wood non-union hourly employee.

See the "Special Circumstances" section for more information about transferring or being rehired.

# Vesting Years

Vesting Years are measured in whole or partial years and are used to determine whether you have a vested (non-forfeitable) right to a Plan benefit. Full or partial Vesting Years are measured by your accumulated service with Glatfelter, beginning with your date of hire and ending on the date you separate from service with the Company. There are special rules in the event of disability and breaks in service. See the "*Special Circumstances*" section.

Your benefits become vested when you have earned three Vesting Years while employed by Glatfelter (including, if applicable, service with NewPage, MeadWestvaco, and Mead immediately preceding employment with Glatfelter in April 2006). You will also become vested in the event you retire from active service with the Company (and all affiliates) on or after attaining age 65 (normal retirement age), regardless of your number of Vesting Years.

You can never lose your Vesting Years once you are vested. However, if you are not vested, you may lose accumulated Vesting Years during certain breaks in service as described in the “Special Circumstances” section.

## Calculating Your Benefit

Your benefit grows through Regular Contribution Credits made by Glatfelter, and Interest Credits on your total account balance. If you are in the Ohio Operations and meet the eligibility requirements, the Company may also make a Transition Contribution Credit (through year 2012).

Although Glatfelter is responsible for funding the promised credits by means of contributions to the Plan’s trust fund, your credits are not affected by the investment performance of the Plan’s assets.

### REGULAR CONTRIBUTION CREDITS

At the end of each month, the Company credits your account with 5.5 percent of your monthly eligible base pay (salary or regular hourly wages plus elective contributions to your benefits). You will receive a Regular Contribution Credit for any month in which you are employed by Glatfelter in an eligible employment position on the last day of that month, including the month of retirement.

### TRANSITION CONTRIBUTION CREDITS

Eligible participants may receive an additional Transition Contribution Credit as of the last day of each Plan year during the “transition period,” meaning the period beginning January 1, 2007 and ending December 31, 2012. To be eligible at year end, you must have:

- been first employed by Glatfelter as of April 1, 2006, and been part of the acquisition into the Ohio Operations;
- been employed by Glatfelter in an eligible employment position the entire Plan year;
- reached age 45; and
- completed at least 10 years of service (including service with NewPage, MeadWestvaco, and Mead immediately preceding your employment with Glatfelter in April 2006).

If you meet the above qualifications and are at least age 55 when you retire or leave Glatfelter, you will earn a Transition Contribution Credit for your final, partial year of eligible employment, even if you are not employed on the last day of the Plan year.

The amount of the Transition Contribution Credit is a percentage of your eligible base pay for the years you are an eligible participant, which is based on your accumulated whole Vesting Years as of the end of the Plan year.

Vesting Years	Transition Contribution Credits (percentage of eligible base pay)
10 – 19	5.5%
20 – 29	3.5%
30 or more	1.5%

### INTEREST CREDITS

You will earn interest on your account based on an external index (currently Moody’s Aa nominal bond yield). Interest is credited to your account at the end of each month, up to and including the end of the month prior to distribution.

## YOUR TOTAL ACCOUNT BALANCE

Your account balance will be calculated as follows: **Regular Contribution Credits + Transition Contribution Credits (if applicable) + Interest Credits**

### *Example*

The following example shows a projected account balance for an employee hired January 1, 2007, at age 25.

Date	Age	Annual Base Pay <sup>1</sup>	Company Contribution Credit (5.5% eligible base pay)	Interest Credit <sup>2</sup>	Account Balance
December 31, 2007	26	\$30,000	\$1,650.00	\$38.35	\$1,688.35
December 31, 2036	55	\$70,694	\$3,888.17	\$7,820.11	\$162,792.58
December 31, 2041	60	\$81,953	\$4,507.42	\$11,218.31	\$232,949.43
December 31, 2046	65	\$95,006	\$5,225.33	\$15,767.74	\$326,812.79

<sup>1</sup> Assumes 3 percent per year increases to future annual base pay, effective January 1 each year.

<sup>2</sup> Assumes 5 percent Moody's Aa nominal bond yield as of December 31, 2006, and for all future yearends.

The account balance represents the value of the participant's benefit if paid as a Lump Sum on the given date. Alternatively, if the participant elects to receive his/her Plan benefit converted for payment to a Single-life Annuity commencing on the first day of the month coincident with his/her 65<sup>th</sup> birthday, the estimated monthly payments continuing for the rest of his/her life is equal to approximately \$2,310. If the participant elects to receive the benefit as a Joint & Survivor Annuity, the monthly payments would be less. For information about receiving your benefit, see the "When You Receive Your Benefit" and "Form of Your Benefit" sections.

## ACCOUNT LIMITS

### *Annual Compensation Limit*

Government regulations limit the dollar amount of your eligible base pay that may be used to determine the Company's Contribution Credits to your account. For 2007, the annual compensation limit is \$225,000. This amount may change in future years.

### *Annual Benefit Limit*

Government regulations require the Plan to have maximum benefit limitations that may apply to certain highly paid employees. For an employee who retires in 2007 at age 65, the limit on an annual Single-life Annuity payable from the Plan is \$180,000. This dollar limit is periodically adjusted for inflation.

Limitations also apply to other forms of benefit payment. A lower maximum limit may apply if you receive or begin to receive your benefit at a younger age. The limit may also be affected by the amount of benefit you earned under other qualified retirement plans maintained by the Company or its affiliates.

The Plan Administrator will notify you if your benefit is affected by the Plan's maximum benefit limitations.

## When You Receive Your Benefit

At any age, you may leave Glatfelter and receive your vested benefit, subject to certain tax rules. The date you choose to receive or begin to receive your benefit is your "Benefit Commencement Date," which must be the first day of a calendar month.

## LEAVING GLATFELTER BEFORE AGE 55

If you leave the Company before age 55, and take a Lump Sum distribution from the Plan before age 59½, your vested benefit will be subject to a 10 percent tax penalty (see the “Understanding Taxes” section).

*Note: You may defer taxes if you elect to roll over a Lump Sum amount into another individual retirement account or eligible retirement plan.*

If you choose to receive your benefit as an annuity, there is no tax penalty. Keep in mind that the monthly amount of the annuity may be less the earlier you begin to receive it because payments are expected to continue for a longer period of time.

## LEAVING GLATFELTER ON OR AFTER AGE 55

You may leave the Company and receive a Lump Sum distribution of your benefit, with no tax penalties, as early as the first day of the month coincident with or next following your 55<sup>th</sup> birthday. You will only be responsible for the normal income tax withholding (see the “Understanding Taxes” section).

## CONTINUING TO WORK BEYOND AGE 65

If you continue to work past age 65 (normal retirement age), you will be notified that commencement of your pension will be suspended until you leave or retire from the Company, or otherwise are required by law to begin receiving your benefit. You will continue receiving all Regular Contribution Credits (and Transition Credits, if applicable) to your account until the date you are no longer in an eligible employment position. Interest Credits will continue to be made to your account until the time you receive or begin to receive your benefit.

For most participants, you must begin receiving a benefit by April 1 following the year in which you attain age 70½. If you elect to receive an annuity, the monthly amount of your pension payments may be

adjusted to account for the delay in commencement of your benefit.

# Form of Your Benefit

In general, you may receive your benefit as a Lump Sum, Single-life Annuity, or as a Joint & Survivor Annuity (see the “Special Rule for Married Participants” section). You must choose your Benefit Commencement Date and how you would like to receive your benefit. You cannot change the form of benefit after your Benefit Commencement Date.

All forms of benefits available under the Plan are based on your account balance at the time of retirement or termination. The actual amount of your benefit will vary, depending on the form in which you receive your benefit and the time your benefit commences.

## LUMP SUM

You may receive your account balance as a one-time Lump Sum payment when you leave or retire from the Company. If you are married on your Benefit Commencement Date, you may only elect a Lump Sum distribution after obtaining spousal consent. See the “Special Rule for Married Participants” section.

If you choose to have your distribution paid directly to you, the taxable portion of your distribution will be subject to a mandatory 20 percent federal income tax withholding. In addition, you may be required to pay a 10 percent early distribution penalty as well. See the “Understanding Taxes” section for more information. You may choose to roll over your account balance into another individual retirement account or eligible retirement plan to defer taxes.

In the event you receive a Lump Sum payment and you are later rehired, your account balance will start over from zero,

and all credits to your account (Regular, Interest and Transition, if applicable) will begin again.

#### *Automatic Cash-out*

If the account value of the pension payable to you (or payable to your spouse or designated beneficiary upon your death) is less than or equal to \$5,000 as of the first day of the month following your termination of employment with Glatfelter or your death, your account will be automatically distributed to you (or your spouse or beneficiary) as a one-time Lump Sum payment. You may choose to roll over your account balance into another individual retirement account or eligible retirement plan to defer taxes.

#### *Rolling Over a Distribution*

If you receive your benefit as a Lump Sum or Automatic Cash-out distribution, you may roll over your account balance to another individual retirement account or eligible retirement plan. This is known as a “direct rollover.” By rolling over your benefit, you can defer paying taxes on your benefit until you receive payments of the rolled over benefit in the future. *See the “Understanding Taxes” section for more information.*

As defined by the Internal Revenue Code, eligible retirement plans that you may roll your account balance into include: an individual retirement account or annuity, a 403(b) tax-sheltered annuity contract or plan, a tax-qualified defined contribution plan of another employer that accepts rollovers, or a 457(b) plan maintained by a state, political subdivision of a state, or an agency instrumentality thereof.

### **SINGLE-LIFE ANNUITY**

A Single-life Annuity is a monthly amount paid to you for the rest of your life following your retirement or termination of employment from Glatfelter. The Single-life Annuity is based on your account balance, actuarially converted to a monthly benefit.

The last payment is on the first day of the month in which you die. No further benefits are paid.

If you are married on your Benefit Commencement Date, you may elect a Single-life Annuity only after obtaining spousal consent (*see the “Special Rule for Married Participants” section*).

### **JOINT & SURVIVOR ANNUITY**

A Joint & Survivor Annuity allows you to designate a joint annuitant who will continue to receive benefit payments after your death, for the rest of his/her life, if he/she survives you.

- The amount of your joint annuitant's monthly benefit will be a percentage, selected by you, of the monthly benefit you receive during your life. Under the Plan, the following percentages are available: 50 percent, 75 percent, or 100 percent.
- The monthly payments under this option will generally be less than the monthly payments you would receive under the Single-life Annuity option. In general, the higher the percentage you elect for your joint annuitant to receive, the lower the amount you will receive during your life.
- When you elect to receive your benefit as a Joint & Survivor Annuity, you must specify the name of your joint annuitant and the date as of which your pension is to commence. You may choose any individual as your joint annuitant. However, your spouse is automatically designated as your joint annuitant if you are married on your Benefit Commencement Date. If you wish to designate someone other than your spouse as your joint annuitant, you will need spousal consent (*see the “Special Rule for Married Participants” section*). In addition, if you designate someone other than your spouse as your joint annuitant, federal tax laws may restrict the amount by which your payments can be reduced during your lifetime and the

amount that your joint annuitant can receive after your death. Contact the Glatfelter Pension Service Center at 866-828-5322 for more information on the restrictions that apply if you will be choosing someone other than your spouse as your joint annuitant.

If your joint annuitant dies before your Benefit Commencement Date, your selection will become void and you will be able to select a new joint annuitant or a different form of payment altogether. If your joint annuitant dies after your Benefit Commencement Date but before you die, you cannot change your distribution option.

## HOW TO ELECT A FORM OF BENEFIT

Your election for your form of benefit (including obtaining spousal consent, if applicable) must be made within 90 days before your Benefit Commencement Date. You will receive an explanation of the various forms of available benefits and their relative values, and the rights of your spouse to consent to payment of your benefit other than a Joint & Survivor Annuity. After you receive the explanation, you have at least 30 days to make your decision, unless you opt to waive the 30-day period and make your election sooner.

If you divorce after you have elected a form of benefit but before your Benefit Commencement Date, your election will stay in effect until you revoke the election, you remarry, or a qualified domestic relations order provides otherwise.

Once you have started to receive pension payments, you cannot change your payment election.

## DESIGNATING A BENEFICIARY

When you first become a participant in the Plan, you will be asked to designate a beneficiary to receive the Plan's death benefit (*see the "Death Benefit" section*) in the event you die before your Benefit Commencement Date. You can change

your designation at any time (subject to the "Special Rule for Married Participants").

- If you are married, your spouse is automatically designated as your beneficiary unless you designate someone else with your spouse's consent.
- You may also designate contingent beneficiary(ies) to receive a benefit if your primary beneficiary dies before receiving any payments.
- In the event that your beneficiary and contingent beneficiaries (if any) are no longer living and there are payments remaining, the remaining balance in your account will be distributed in a Lump Sum to your spouse, if living, or otherwise to your estate.

## SPECIAL RULE FOR MARRIED PARTICIPANTS

If you are married on your Benefit Commencement Date, you cannot select a beneficiary or annuitant other than your spouse, or elect a form of benefit payment other than a Joint & Survivor Annuity with your spouse as your beneficiary, unless you obtain consent from your spouse. Your spouse's consent must be witnessed by a notary public or Plan representative, and must acknowledge (if applicable) the specific option form of benefit and beneficiary(ies) you have chosen. To request a consent form, contact the Glatfelter Pension Service Center at 866-828-5322. If your spouse cannot be located, you can inform the Glatfelter Pension Service Center of your circumstances, and written consent may not be required. (Before the consent requirement can be waived, however, you will be asked to submit a written statement describing your circumstances.)

If your spouse consents to waive the Joint & Survivor Annuity during the 90-day election period ending on your Benefit Commencement Date, you may elect any

available form of benefit payment. You may also change your election at any time during the election period, provided your spouse consents. Your spouse can revoke consent during the election period by submitting a signed notice to the Glatfelter Pension Service Center. For more information on the effect of spousal consent, contact the Glatfelter Pension Service Center at 866-828-5322.

Even if your spouse consents to waive the Joint & Survivor Annuity, your spouse may receive the Plan's death benefit if you die before your Benefit Commencement Date (see the "Death Benefits" section).

*If you had elected a Joint and Survivor Annuity with your spouse and, after payments begin, you divorce, your former spouse will remain as the beneficiary of the Joint and Survivor Annuity, unless otherwise provided by a qualified domestic relations order.*

## Special Circumstances

### IF YOU TRANSFER

#### *Eligibility*

If you transfer from one Glatfelter location or position to another, the following rules apply:

- If you transfer to another location as a U.S.-based salaried or non-union hourly employee, you will continue to be a participant in the Cash Balance Plan.
- If you transfer to a location or position that is part of a union, or are otherwise ineligible to participate in the Cash Balance Plan, you will cease to earn Regular Contribution Credits under the Plan (and Transition Contribution Credits, if applicable), and your benefit under the Cash Balance Plan will be frozen as of the date of your transfer. (You will, however, continue earning

Interest Credits on your account balance until the time you receive or begin to receive your benefit.) You will be a part of the pension plan available under the applicable collective bargaining agreement.

- If you were employed by Glatfelter as of December 31, 2006, other than as an employee of the Ohio Operations, and transfer to salaried or non-union hourly employment on or after January 1, 2007, you will not be eligible to participate in the Cash Balance Plan. A different summary plan description (SPD) describes your benefit. You may obtain a copy of the SPD that applies to you from your local human resources representative.
- If you are classified as an employee of the Ohio Operations and transfer to eligible salaried or non-union hourly employment, you will be eligible to participate in the Cash Balance Plan.
- If you were not employed by the Company on December 31, 2006, and transfer to an eligible employment position on or after January 1, 2007, you will be eligible to participate in the Cash Balance Plan.

#### *Plan Benefits*

If you transfer out of an eligible employment position for the Plan, the amount of your Cash Balance account will never be less than the amount you accrued before your transfer. Your benefit under the Plan will be frozen as of the date you transfer.

If you transfer into a Cash Balance eligible employment position and you previously earned a benefit in the Retirement Plan for Salaried Employees with the Traditional Benefit, the amount of your traditional pension benefit will never be less than the amount you accrued before your transfer. Your benefit under the traditional version of the Plan will be frozen as of the date you transfer.

For more information on how a particular transfer may affect your retirement benefit, contact the Glatfelter Pension Service Center at 866-828-5322.

### *Vesting Service*

To determine whether you have sufficient Vesting Service to be fully vested, your Vesting Service at either locations or positions will be combined. For example, if you have one year of Vesting Service at the first location or position and two years of Vesting Service at the second location or position, you will have three years of Vesting Service for determining whether you are vested in your benefit at either location or position.

## **IF YOU ARE REHIRED**

### *Eligibility*

If you leave Glatfelter and later return on or after January 1, 2007 to a cash balance eligible position, you will be eligible to participate in the Plan.

### *Plan Benefits*

If you leave Glatfelter and take a Lump Sum distribution, but then return to work for Glatfelter, your account balance will start over at zero.

If you begin to receive annuity pension payments and you later return to work as an eligible employee for 80 or more hours a month, your pension will normally be stopped as of the date you are rehired. You will be notified if your pension will be stopped. Your pension will start again no later than the first day of the third calendar month after you retire or leave the Company again. The amount will be the same as the pension you were receiving before, plus (if you return to work in a Cash Balance eligible position), any additional amounts based on credits to your account while you were re-employed.

### *Vesting Service (Breaks in Service)*

If you stop working for Glatfelter and later return, the Plan has specific rules for determining your cumulative Vesting Service. Generally, if you leave the Company before your account is vested, the length of your break in service will determine whether the Vesting Years you earned before leaving will be restored following your return.

- If you leave the Company and return to work within 12 months, the time you worked before you left will count toward your Vesting Service.
- Generally speaking, if you return to work for Glatfelter within five years from the date you left, your previous Vesting Service will be restored as soon as you complete one Vesting Year following your return.
- If you return to work for Glatfelter more than five years after you left, you will lose any Vesting Service earned during your prior service.

You may continue to earn Vesting Service for certain periods when you are not working for Glatfelter, including hours you are paid for back pay, vacation, holiday, illness incapacity (including disability), jury duty, layoff, approved leave of absence or military duty (provided you return to employment with Glatfelter within 90 days after discharge).

## **IF YOU BECOME DISABLED**

### *Plan Benefits and Vesting Service*

If you are classified by the Company as a full-time employee and you become Disabled (as described below), you will continue to earn Vesting Service and credits to your account (Regular, Interest and Transition, if applicable) during your period of Disability. Regular Contribution Credits to your account will be based on any base pay you continue to receive while Disabled, or the amount you are paid from the

Company's long-term disability (LTD) Plan as disability income if you are disabled for a period of at least six months. The Disability standard and exclusions described below are similar to those under the LTD Plan. If you qualify for LTD plan benefits, you will not be considered Disabled for purposes of this Plan beyond the maximum period of time for which long-term disability benefits from the LTD plan are payable. In particular, if your Disability results from mental illness or alcohol or substance abuse, long-term disability benefits are not, generally speaking, paid for more than 24 months and your Period of Disability (see below) will be limited accordingly.

*Period of Disability*

Credits to your account and Vesting Service will end with the first to occur of the following:

- the date your leave of absence for medical reasons ends;
- the date you cease to receive disability payments under the Company's long-term disability (LTD) plan. This may occur because you are no longer considered to be totally disabled for purposes of the LTD plan, the maximum benefit period under that plan has expired, or the plan has been amended or terminated;
- the date you are otherwise determined by the Plan Administrator to no longer be Disabled, even if the administrator of the LTD plan has not made a similar determination;
- the date you attain the maximum duration period indicated in the following table:

<b>Age at Disability</b>	<b>Maximum Period of Disability</b>
62 or younger	To 65 <sup>th</sup> birthday or 42 months (if later)
63	36 months
64	30 months

65	25 months
66	21 months
67	18 months
68	15 months
69 or older	12 months

- the date you are eligible for, and elect to receive, payment of your benefit; or
- your death.

*Definition of Disabled*

For purposes of this Plan, disability is defined as follows:

- For the first 30 months, you are prevented, by reason of accidental bodily injury, sickness, mental illness, substance abuse or pregnancy, from performing the essential duties of your occupation.
- After 30 months, you must be so prevented from performing the essential duties of any occupation for which you are qualified by education, training or experience.
- You will also be considered Disabled if you are on a leave of absence granted by the Company for medical reasons in accordance with its uniform policy.
- If you become totally and permanently disabled after leaving Glatfelter, you will not be eligible to receive a Disability Retirement Pension.

You will not be considered Disabled if your condition results from:

- your commission of, or attempt to commit, a felony, or your engagement in an illegal occupation;
- your intoxication while operating a motor vehicle (as defined by the laws and jurisdiction of the area in which the accident occurred);
- an intentionally self-inflicted injury;

- injury sustained as the result of doing any work for pay or profit for another employer; or
- a war or act of war (declared or not).

### *Request for Examinations*

Your Disability must be accepted by the Plan Administrator. In most circumstances, you will be considered Disabled for purposes of this Plan if you are receiving payments under the Glatfelter LTD plan. However, the Plan Administrator reserves the right to make an independent determination regarding your Disability. The Plan Administrator may, for example, request medical records and other information regarding your employment or potential for employment, or require that your Disability be verified by medical examination by a physician appointed for that purpose by the Plan Administrator at reasonable intervals. Your failure to cooperate in this regard may be grounds for the Plan Administrator to determine that you are no longer Disabled.

## **Death Benefits**

### **IF YOU DIE BEFORE YOUR BENEFIT COMMENCEMENT DATE**

If you die before your Benefit Commencement Date, your beneficiary will be eligible to receive 100 percent of your account balance distributed as a Lump Sum. The distribution will ordinarily take place as soon as practical after the Plan Administrator is advised of your death.

If your spouse is your beneficiary, he or she may elect to have the death benefit converted for payment as a Single-life Annuity. Your spouse may elect to defer the Benefit Commencement Date to no later than the month that you would have turned age 65. If you are married, you must designate your spouse as a beneficiary, unless you obtain consent from your spouse

(see the “Special Rule for Married Participants” section).

### **IF YOU DIE AFTER YOUR BENEFIT COMMENCEMENT DATE**

If you die after your Benefit Commencement Date, your death benefit, if any, will be determined by the form of payment you elected to receive. For example, if you elect to receive your benefit as a Single-life Annuity or a Lump Sum, there will be no further payments after your death. If you elect a Joint & Survivor Annuity, your joint annuitant will continue to receive payments after your death for the rest of his/her life, provided he/she survives you.

## **Understanding Taxes**

The Plan offers you a tax advantage by deferring taxes on the value of your Plan benefit as it accumulates.

When you receive a distribution from the Plan, you will be required to report the tax-deferred amount for income tax purposes. In exchange for the tax-advantage, a 10 percent penalty tax may apply if you receive a distribution from your account too early. You may avoid the penalty and defer taxes by rolling over the distribution to another retirement plan or IRA. Keep in mind that you are postponing, not avoiding, paying taxes.

### **WHEN INCOME TAXES ARE DUE**

When you receive a distribution from the Plan, you will have to pay income taxes on your distribution. If your beneficiary receives a plan distribution because of your death, he or she may be required to pay income taxes when the money is received.

**Note:** No employee of the Company is authorized to give you tax advice. So before you receive a distribution, we suggest you consult a professional tax advisor.

## 10 PERCENT EARLY DISTRIBUTION PENALTY TAX

If you receive a Lump Sum distribution from the Plan before you attain age 59 ½, you'll have to pay a 10 percent penalty tax, in addition to regular income taxes, unless:

- you terminate employment on or after age 55;
- you receive your account balance because you became disabled (under rules prescribed by the federal government);
- your beneficiary receives the money because of your death;
- the distribution is made to an "alternate payee" (e.g., a former spouse) under a Qualified Domestic Relations Order (QDRO);
- you roll over your distribution to another retirement plan, IRA or annuity within 60 days of receiving the distribution.

The 10 percent early distribution tax is not withheld from your distribution, you must pay it at the time you file your federal income tax return.

## 20 PERCENT MANDATORY FEDERAL WITHHOLDING TAX

Generally, under federal law, the Plan must withhold 20 percent of any taxable payment as an estimated payment toward taxes due. However, you may avoid this withholding by directing the Plan to roll over your Lump Sum distribution directly to an individual retirement account, or eligible retirement plan that accepts rollovers. This is known as a "direct rollover." At the time you receive your distribution election materials, you will receive more information about this direct rollover option.

**Note:** The rules governing income tax consequences of payments from plans like this are complex. This section is intended only to highlight general tax information. Remember, no employee

of the Company is authorized to give you tax advice. You should consult a professional tax advisor on matters pertaining to tax laws and how the laws affect you.

## Other Important Information

### HIGHLY COMPENSATED EMPLOYEES (HCE)

The Code contains certain "non-discrimination" rules that are intended to ensure that "highly compensated employees" (as defined by the Code) don't benefit disproportionately by participating in the Plan as compared to non-highly compensated employees. An HCE is identified as anyone who during the previous year received compensation from Glatfelter in excess of the applicable limit for that year, or was a 5 percent owner in the current or previous year.

The IRS may adjust the annual HCE compensation limit. To find out the limit, refer to the IRS Web site at [www.irs.gov](http://www.irs.gov).

### TOP HEAVY PROVISIONS

There are certain minimum requirements that must be provided to participants in a top-heavy plan. A top-heavy plan is a plan in which more than 60 percent of the value of the benefits are for "key employees." The Plan is currently top-heavy and is not expected to be so in the future. However, in any Plan year during which the Plan becomes top heavy, certain provisions under the Plan will come into effect. These provisions can include a minimum allocation to the accounts of non-key employees and other changes.

# Applying for Benefits and Making Claims

## HOW TO APPLY FOR BENEFITS

You are responsible for notifying the Plan Administrator of your intention to retire or terminate employment so you can begin receiving benefits at the proper time. You will receive a pension application explaining the forms of payment, and an estimate of your benefit payment based on the various options. Return the completed application and all related documentation 90 days before your anticipated commencement date to help ensure prompt payment.

If you die before retirement or termination of employment, your spouse or beneficiary should contact the Plan Administrator to receive information about applying for any benefits due.

You should always keep the Plan Administrator informed of your current address, so that there will be no delay in the start of your pension.

## GENERAL CLAIMS AND APPEALS

### *If Your Claim Is Denied*

Upon receipt of your initial claim for benefits, the Glatfelter Pension Service Center will send you a conformation of receipt letter. Then, if your claim for benefits is denied, in whole or in part, you will receive an explanation within 60 days.

The denial explanation will cover the specific reasons for the denial of your claim, the specific references in the Plan document that support those reasons, the information you must provide to verify your claim, the reasons why that information is necessary, the procedure available for further review of your claim, the time limits applicable to such procedure, and your right to bring a civil

action under Section 502(a) of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

### *Your Right to Appeal*

**Level 1 Appeal** – If your claim is denied, you, your spouse, or your legal representative have the right to appeal a denial of your claim. You (or your authorized representative) must submit a written appeal to the Glatfelter Pension Service Center within 60 days after receipt of the claim denial notice. In connection with your request for review, you (or your authorized representative) may submit to the Glatfelter Pension Service Center written comments, documents, records, or other information relating to your claim. In addition, you will be provided, upon written request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim. The review will take into account all comments, documents, records and other information you submit relating to your claim.

Written Level 1 Appeals should be addressed to:

Glatfelter Pension Service Center  
PO Box 57486  
Jacksonville, FL 32241-7486

The Glatfelter Pension Service Center will conduct a full and fair review of your appeal and notify you of their decision within 60 days.

The appeal decision will include the specific reasons and the Plan provisions on which the decision is based, a statement of your rights to documents, records, etc., as stated above, and a statement that you have a right to bring a civil suit under Section 502(a) of ERISA.

**Level 2 Appeal** – If the appealed claim is again denied, you may file a second appeal within 60 days from receipt of the denial notice. You also have the right to request without charge, copies of any document,

record or other information submitted, considered, generated or used in making the decision.

Notice of the second appeals decision will be sent to you within 60 days of receipt of the appeal.

Written Level 2 Appeals should be addressed to:

Glatfelter Corporate Benefits Department  
96 South George Street  
York, PA 17401

### *Final Decision*

The Plan Administrator has the authority to make final decisions with respect to paying claims under the Plan.

In making a final decision, the Plan Administrator has sole, absolute and discretionary authority in interpreting the meaning of Plan provisions and in determining all questions arising under the Plan, including, but not limited to, eligibility for benefits. The Administrator's decision shall be final and binding on participants and all other parties to the maximum extent allowed by law.

## **DISABILITY CLAIMS AND APPEALS**

If the Plan Administrator should deny your claim for benefits, or continued benefits, based on its independent determination that you are not, or are no longer, Disabled for purposes of the Plan, despite that you may be receiving benefits under the Company's LTD plan, special rules apply with respect to your right to appeal:

- the time limit by which you can appeal a Disability Denial is 180 days, rather than 60 days. The time periods during which the Plan Administrator must rule on your appeal are shorter, as compared with other types of appeals;
- the decision with respect to your appeal of a Disability Denial will be made by an individual or committee that was not

involved in the original denial, and is not a subordinate of the original decision maker.

## **Your Legal Rights under ERISA**

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. As a participant in the Plan, you are entitled to certain rights and protections.

Under ERISA, all Plan Participants are entitled to:

- Examine, without charge at the Administrator's office and at other specified locations, such as worksites and union halls, copies of all documents governing the Plan including collective bargaining agreements (if applicable) and a copy of the latest annual report (Form 5500 series) filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Receive copies of the Plan document and other Plan information including collective bargaining agreements, the latest annual report (Form 5500 Series) and an updated summary plan description by writing to the Administrator. The Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Administrator is required by law to furnish each Participant with a copy of this summary annual report each year.
- Obtain a statement at least once a year of the total benefits that you have accumulated in your Plan. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan

must provide the statement free of charge.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan (called fiduciaries) have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries.

No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial all within certain time schedules.

Under ERISA, you can take steps to enforce your rights. For instance, if you request materials that the Administrator is required to provide including a copy of Plan documents or the latest annual report and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of a reason beyond the control of the Administrator.

If your claim for benefits is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If you believe Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor. You also may file suit in a federal court.

The court will decide who should pay court costs and legal fees. If your suit is successful, the court may order the person

you have sued to pay these costs and fees. If your suit is not successful, for example, if the court finds your claim is frivolous, the court may order you to pay these costs and fees. If you have any questions about the Plan, contact the Administrator.

If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Administrator, contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, which is listed in your telephone directory, or write to:

Division of Technical Assistance and  
Inquiries  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Ave. N.W.  
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **Administrative and Other Matters**

### *Plan Name*

Glatfelter Retirement Plan for Salaried Employees

The Plan is classified as a "defined benefit" retirement plan. This Summary Plan Description (SPD) describes the cash balance benefit, which is a part of the Glatfelter Retirement Plan for Salaried Employees. A separate SPD describes the traditional benefit under the Retirement Plan for Salaried Employees.

### *Plan Sponsor*

P.H. Glatfelter Company  
96 S. George Street

York, PA 17401  
Phone: 717-225-4711

*Plan Number*

020

*Trustee*

State Street Bank and Trust Company  
225 Franklin St.  
Boston, MA 02110

*Plan Administrator and Agent for Service of Legal Process*

Glatfelter Corporate Benefits Department  
96 South George Street  
York, PA 17401  
Phone: 717-225-4711

*Plan Service Provider*

Glatfelter Pension Service Center  
PO Box 57486  
Jacksonville, FL 32241-7486  
Phone: 866-828-5322

*Plan Year*

January 1 – December 31

*Plan Administrator*

The Plan Administrator (or its delegate) has the authority to establish any rules or procedures necessary for the general administration of the Plan and to construe and interpret the Plan document. The Plan Administrator can choose to delegate its duties to others.

*Plan Expenses*

The expenses incident to operating the Plan are paid out of the Plan's assets, except to the extent that the expenses are paid voluntarily by Glatfelter.

*Contributions*

The Plan is funded by contributions from Glatfelter. The amount Glatfelter contributes to the Plan is based upon the

recommendation of a consulting actuary appointed by the Board of Directors of Glatfelter or its delegate. The actuary bases its determination on the funding policy established for the Plan, as well as the provisions of ERISA relating to minimum and maximum contributions.

*Transfer, Assignment, or Offset of Your Plan Benefits*

- In general, you may not assign, transfer or pledge to anyone amounts from the Plan that are payable to you or your beneficiary before such amounts are distributed from the Plan.
- However, the Plan must comply with a valid Qualified Domestic Relations Order (QDRO). This is true even if it means distribution from the Plan to another person of all or a portion of your anticipated benefit while you are still employed.
- A QDRO is an order or judgment from a court directing the Plan to pay all or part of a participant's Plan benefits to a spouse, former spouse or dependent (an alternate payee) for child support, alimony payments or marital property rights. You can obtain additional information about the procedures governing QDROs, free of charge, by contacting the Glatfelter Pension Service Center at 866-828-5322 or the Plan Administrator.
- In addition, if you are ordered by a court or agree in a legal settlement to pay amounts to the Plan, such amounts may be offset against any benefits that you are otherwise owed by the Plan.
- In the event that the Plan mistakenly pays you a benefit that is greater than the benefit to which you are properly entitled, the Plan may recover the mistaken payment by suspending benefit payments or by another method deemed appropriate by the Plan Administrator or its delegate.

### *Unclaimed Benefits*

To ensure you receive your plan benefits on time, keep the Glatfelter Pension Service Center informed of your address, as well as your spouse's and other beneficiaries' addresses. Notify the Glatfelter Pension Service Center at 866-828-5322 any time your address, or your beneficiary's address, changes. It is extremely important to provide this information in writing and on a timely basis to ensure that your pension information is sent to the correct address without any delays.

Benefit payment checks that are returned because you, your spouse or your beneficiary cannot be located will be forfeited. In addition, if your benefit payment check is not cashed within 180 days after the check is issued, the check will be considered forfeited. You will have to contact the Plan Administrator to request reinstatement, which will not be available if the Plan has been terminated.

### *Incapacity*

If you, your joint annuitant, or your beneficiary is physically or mentally incompetent to receive or to give a release for a payment, and another person or institution is maintaining custody over the person entitled to receive the payment, that person or institution can give the necessary release for the Plan to discharge its payment obligation. If a court has appointed a guardian or representative of the person's estate, payment will be made to that guardian or representative, in total discharge of the Plan's liability therefore.

### *Plan Amendment and Termination*

Although Glatfelter intends to continue the Plan indefinitely, Glatfelter can amend or terminate (end) the Plan at any time and for any reason, by action of the Company's Board of Directors or its delegate.

In the event the Plan is amended or terminated, any benefits that you have accrued up to the date of such amendment

or termination will be protected; an amendment cannot reduce or cancel an accrued benefit (unless such a reduction is necessary to conform to a particular law or legal ruling). In addition, if the Plan is terminated, you will become fully vested in your accrued benefit under the Plan, if you are not already fully vested based on your Vesting Years at that time.

If the Plan is terminated, Plan assets that remain after payment of all reasonable administrative expenses will be used to pay benefits accrued up to the time of termination. If Plan assets are insufficient to pay all accrued benefits, the assets available under the Plan will be allocated to participants' benefits as required by ERISA and applicable regulations. Additional amounts may be payable by the Pension Benefit Guaranty Corporation (PBGC). If the value of the Plan's assets exceeds the amount needed to pay all the benefits accrued under the Plan, the Trustee will dispose of remaining assets as directed by the Glatfelter Board of Directors. Subject to applicable law, such disposal could include returning contributions to Glatfelter.

Your Plan benefits are insured by the PBGC, a federal insurance agency. If the Plan terminates without enough money to pay all benefits, the PBGC will step in to pay Plan benefits. Most people receive all of the benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early (if applicable) retirement benefits; (2) disability benefits if you become disabled before the Plan terminates, and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates; (3) benefits

that are not vested because you have not worked long enough for the Company; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement benefits, if any; and (6) any non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's Web site on the Internet at <http://www.pbgc.gov>.