



**GLATFELTER**  
*Beyond Paper*

# **Summary Plan Description for the Glatfelter 401(k) Savings Plan**

**Salaried and Non-union Hourly Employees**

**Effective January 1, 2007**

# Overview

This document is the Summary Plan Description (SPD) of the Glatfelter 401(k) Savings Plan for Salaried and Non-union Hourly Employees (also known as the “Plan” or “Savings Plan”).

## *Eligibility*

The 401(k) Savings Plan and this SPD are applicable to salaried and non-union hourly employees of the Company’s U.S.-based operations, and salaried employees of the Glatfelter Pulp Wood Company. (Throughout this document, the term “Company” or “Glatfelter” means your employer, P.H. Glatfelter Company, and includes the Glatfelter Pulp Wood Company.) If you are represented for collective bargaining purposes by a labor union, a different SPD describes your benefits. Please contact your local Human Resources department for that SPD.

This SPD describes the Plan as in effect on January 1, 2007. As a general rule, this SPD does not apply to you if you retired, terminated employment or transferred out of salaried or non-union hourly status prior to 2007. In that case, you would be covered under the terms of the Savings Plan in effect on your date of termination or transfer.

## *Purpose*

This SPD is intended to acquaint you with the Plan, the way it is administered, and your rights under the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is intended to comply with all applicable requirements of the Internal Revenue Code and ERISA. In addition, this SPD constitutes part of a prospectus that is further described in Appendix 1.

This 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 this SPD 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 401(K) SAVINGS PLAN?**

The Plan is a defined contribution 401(k) savings plan designed to help you build retirement savings through convenient payroll deductions and Employer Match Contributions. If you chose to enroll, your contributions and those of the Company are credited to a Savings Plan Account in your name under the Plan. Your Plan benefit is equal to the amounts credited to your Savings Plan Account, adjusted for investment gain and loss, and reduced by any withdrawals and expenses. Your Savings Plan Account will be in addition to any other retirement income that you may be eligible to receive, such as Social Security, a benefit under Glatfelter’s Retirement Plan (if applicable), or amounts from your own savings.

You choose to save any percentage of your regular pay (up to 50 percent) to the Plan through payroll deductions. You will then be eligible to receive Employer Match Contributions equal to \$0.25 of each dollar on the first 6 percent of your regular pay you save each payroll period. You are always 100 percent vested in your own savings. If you are an employee working in the Pennsylvania Operations, the Employer Match Contributions become vested gradually over five years. If you are an employee working in the Ohio Operations, the Employer Match Contributions are vested immediately. In general, your Savings Plan Account is distributed only when you leave the Company or retire. However, limited withdrawals and loans are permitted while you are working.

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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.*

# Eligibility

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

- You are classified by the Company as a permanent full-time or part-time employee.
- You are a salaried or non-union hourly employee of the Company's U.S.-based operations, or a salaried employee of the Glatfelter Pulp Wood Company.
- You have completed a consecutive 60-day period of eligibility, which begins on the date you are hired or the first day of any calendar month thereafter in which you earn at least 160 hours of service.

Once you have completed the 60-day eligibility period, you will become a participant in the Plan the first day of the following month (provided you enroll timely to begin saving and remain an eligible salaried or non-union hourly employee).

## *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;
- a Pulp Wood non-union hourly employee;
- an active participant in another Company-sponsored 401(k) savings plan; or
- classified by the Company as a leased employee, or are engaged by the Company on an independent contractor basis.

See the "Special Circumstances" section for information about how transferring to

another location or position may affect your eligibility.

# Enrolling in the Plan

If you are eligible to participate in the Plan, visit the Fidelity Web site at [www.401k.com](http://www.401k.com) or call the Fidelity Retirement Benefits Line at **800-835-5091** and follow the system's recorded instructions to enroll. You will then establish your Personal Identification Number (PIN), which you will need every time you call the Fidelity Retirement Benefits Line. You may change your PIN at any time.

When you enroll, you elect your Before-tax Contribution amounts and choose the investment fund(s) in which your contributions will be invested.

Your Before-tax Contribution election will generally take effect the first payroll period following your enrollment. Your contribution amount and investment fund choices will then remain in effect until you make a change.

**Note:** If you are a participant in a Company profit-sharing plan and would like to contribute a portion of those earnings to the Savings Plan on a before-tax basis, a separate election is required. For more information, contact Fidelity at [www.401k.com](http://www.401k.com) or call the Fidelity Retirement Benefits Line at **800-835-5091**.

## NAMING A BENEFICIARY

When you enroll in the Plan, you will be asked to designate a beneficiary to receive your Savings Plan Account in the event you die while a participant in the Plan. If you're married, you must designate your spouse as your beneficiary. If you would like to name someone other than your spouse as your beneficiary, you will need your spouse's written notarized consent witnessed by a Plan representative. If you're not married, you may name anyone as your beneficiary. You may change your beneficiary at any time by visiting the

Fidelity Web site at [www.401k.com](http://www.401k.com) or by calling the Fidelity Retirement Benefits Line at **800-835-5091**. You may also request a Beneficiary Designation Form from the Human Resources department.

**Note:** If you do not name a beneficiary, or if your designated beneficiary is not alive when you die, your Savings Plan Account balance will be paid to your estate.

## About Your Contributions

### BEFORE-TAX CONTRIBUTIONS

Once enrolled, you choose to save a certain percentage of your regular pay each payroll period to the Plan through payroll deductions. You may elect to have any whole percentage of your regular pay, up to 50 percent, withheld from your paycheck each payroll period and deposited in your Savings Plan Account on a before-tax basis (for federal income tax purposes). Since the amounts of your contributions are a percentage of your regular pay, your contributions will automatically change as your regular pay changes.

**Remember:** If you are a participant in a Company profit-sharing plan and would like to contribute a portion of those earnings to the Savings Plan on a before-tax basis, a separate election is required. For more information, contact Fidelity at [www.401k.com](http://www.401k.com) or call the Fidelity Retirement Benefits Line at **800-835-5091**.

#### *Definition of Regular Pay*

For purposes of this Plan, your regular pay includes your base pay, as well as any premium, holiday and vacation pay and incentive awards (if applicable). It does not include overtime, severance, pay in lieu of vacation, moving expenses, educational reimbursements, income from discretionary bonuses, expense reimbursements, benefits or any special awards. You may include

payments from a Company profit-sharing plan by making a separate election. For more information, contact Fidelity at [www.401k.com](http://www.401k.com) or call the Fidelity Retirement Benefits Line at **800-835-5091**.

#### *Understanding the Benefits of Before-tax Saving*

The Plan offers you two types of tax advantages:

- reducing your current taxable income (for federal income tax purposes) through before-tax savings; and
- deferring taxes on the value of contributions, if any, made by the Company to your Savings Plan Account and the total earnings on your Savings Plan Account. Keep in mind that you are postponing, not avoiding, paying taxes. 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 these tax-advantages, a 10 percent early withdrawal penalty tax may apply.

When you put money into the Plan before taxes, your contributions are taken from your regular pay each payroll period before federal income taxes are deducted. Since these taxes are then calculated based on your “lower” income (your pay minus your before-tax contributions), your taxes are lower. Each dollar you contribute lowers your federal taxable income, and may lower your state and/or local income taxes. Plus, the amounts you save and the earnings on those amounts won’t be taxed (for federal income tax purposes) until you receive a distribution or withdrawal in the future.

**Note:** You still pay Social Security and Medicare taxes on your Before-tax and Catch-up Contributions to the Plan.

Here’s an example of how contributing with before-tax dollars affects your take-home pay. For example, you:

- are single;
- earn \$60,000 per year;

- contribute 6 percent to the Plan;
- take the standard deduction and personal exemption, and
- file an individual income tax return.

See the following example for the difference between saving with before-tax dollars under the Plan and a regular passbook savings account, using 2007 tax rates:

	Saving With After-tax Dollars	Saving With Before-tax Dollars
Annual Compensation	\$60,000	\$60,000
Personal Exemption	- (3,400)	- (3,400)
Standard Deduction	- (5,350)	- (5,350)
Before-tax Contributions	- 0	- (3,600)
Taxable Income	51,250	47,650
Approximate Federal Income Tax	- (9,236)	- (8,336)
Net Pay	42,014	39,314
After-tax Savings	- (3,600)	- 0
Take-home Pay	\$38,414	\$39,314

**Note:** Contributing with before-tax dollars doesn't have any impact on any other pay-related benefits (such as life insurance). Other benefits are based on your gross compensation, before your contributions to the Plan are considered.

### ***Before-tax Contribution Limit***

The Internal Revenue Code limits the amount of Before-tax Contributions you may make annually to 401(k) plans (including tax-sheltered annuity arrangements and other 401(k) plans maintained by another employer). The legal limit for 2007 is \$15,500. For limits beyond 2007, refer to the IRS Web site at [www.irs.gov](http://www.irs.gov).

**Note:** This annual limit on before-tax savings applies to contributions you make to all 401(k) savings plan for the year. If, for example, you have contributed to another employer's 401(k) plan or similar before-tax savings plan during the year, the maximum amount you can contribute the Glatfelter Savings Plan is reduced.

### ***Changing or Stopping Contributions***

You may increase, decrease or stop contributing at any time by going to the Fidelity Web site at [www.401k.com](http://www.401k.com) or calling the Fidelity Retirement Benefits Line at **800-835-5091**. The changes will generally take affect the first payroll period following your request.

### **CATCH-UP CONTRIBUTIONS**

As described in the *Before-tax Contribution Limit* section, your Before-tax Contributions for the year cannot exceed \$15,500 (for 2007). However, if you are age 50 or older (or will attain age 50 before the end of the calendar year), you may be eligible to make additional contributions to the Plan on a "catch-up" basis. Catch-up Contributions are before-tax contributions (for federal income tax purposes) which you elect to make each payroll period in addition to your "regular" Before-tax Contributions. For 2007, you may contribute \$5,000 on a catch-up basis, for a total potential before-tax savings contribution of \$20,500. Catch-up Contributions are not matched by the Company.

To make Catch-up Contributions, the following rules apply:

- You must be age 50 on or prior to the last day of the calendar year in which the Catch-up Contribution applies.
- Catch-up Contributions are made on a before-tax basis (for federal income tax purposes) and in whole percentages of your regular pay each payroll period.
- You may make Catch-up Contributions only if you have, or will, make "regular"

Before-tax Contributions up to the legal limit of \$15,500 (for 2007) for the year.

- You must make a separate payroll reduction election to make Catch-up Contributions.
- Catch-up Contributions are not eligible for Employer Match Contributions.
- If at yearend a Catch-up Contribution is determined to be ineligible, it will be reclassified as a normal Before-tax Contribution to the extent possible; otherwise the ineligible contribution will be returned to you.

## ROLLOVER CONTRIBUTIONS

If you have before-tax funds in another employer's eligible retirement plan or Individual Retirement Account (IRA), you may be able to transfer (or "roll over") those funds into the Plan with the Plan Administrator's permission. An eligible retirement plan may include a "qualified" retirement plan (such as your previous employer's 401(k) plan), a 403(b) tax-sheltered annuity plan, or a 457(b) plan maintained by a government or governmental agency or instrumentality. These distributions may be contributed to the Plan as Rollover Contributions and will be identified as Rollover Contributions in your Savings Plan Account.

By directly rolling over this type of distribution, you postpone paying income taxes on the money until it is later distributed to you from the Plan. You may not roll over any after-tax funds from another Plan, even if a qualified plan. Only before-tax funds may be rolled into your Savings Plan Account.

### *Making a Rollover Contribution*

To avoid withholding taxes, your Rollover Contribution from a qualified plan must be made in the form of a direct rollover, where the distribution check from your prior employer's plan is made out directly to Fidelity Investments Institutional Operations

Company, Inc. (or FIIOC), for the benefit of (your name).

If you receive the check in your name, you must roll over the funds within 60 days of the date you receive the payment from your former employer's eligible retirement plan. However, in that case, your prior employer's plan will have been required to withhold 20 percent of the distribution for federal income taxes. Your rollover may consist of the amount you receive from your prior employer's plan, plus you can contribute an additional amount up to the amount that had been withheld. If you do not make the Rollover Contribution within the 60-day time period, as required by law, the rollover will not be allowed.

You may need to provide the Plan Administrator with evidence that the employer's plan is of a type from which the Plan can legally accept a rollover. You may need to complete forms from the Plan Administrator or Fidelity.

If you are interested in making a Rollover Contribution, visit the Fidelity Web site at **[www.401k.com](http://www.401k.com)** or call the Fidelity Retirement Benefits Line at **800-835-5091**.

## About Company Contributions

### EMPLOYER MATCH CONTRIBUTIONS

Each payroll period, the Company will match a portion of your Before-tax Contributions to the Plan (excluding Catch-up Contributions). The Company will contribute \$0.25 for each dollar you contribute up to your first 6 percent of your regular pay you save each payroll period. That's the equivalent of receiving an immediate 25 percent return on your contributions for the first 6 percent. For example, if you make \$40,000 per year and contribute 6 percent of your pay each paycheck during the year, at the end of the year Glatfelter will have matched your

contributions with \$600. That's \$600 of free money. In addition, you will not pay taxes on Employer Match Contributions (for federal income tax purposes) and the investment earnings, until you withdraw it or receive a distribution in the future.

All Employer Match Contributions are initially invested in shares of Glatfelter Common Stock. At any time, you may elect to invest the value of that contribution in one or more of the other investment options by going to [www.401k.com](http://www.401k.com) or by calling the Fidelity Retirement Benefits Line at **800-835-5091**.

### *Maximize Employer Match Contributions*

In order to maximize your Plan benefit, make sure to take full advantage of the Employer Match Contributions. Since your Employer Match Contribution is made on a payroll-by-payroll basis, you must contribute at least 6 percent uniformly throughout the year to receive the most amount of free money from the Company.

### **SPECIAL NOTE FOR OHIO OPERATIONS EMPLOYEES**

For 2006, eligible employees in the Company's Ohio Operations as of December 31, 2006, received a Fixed Company Contribution and a Transition Company Contribution. These contributions were made for 2006 only and are not applicable to service on and after January 1, 2007. For information regarding the 2006 Fixed and Transition Company Contribution, see the Plan Administrator.

## **Account Limits**

### **LIMITS ON ALL CONTRIBUTIONS**

Your Before-tax Contributions (excluding Catch-up Contributions) and Employer Match Contributions are subject to a combined annual limit. These contributions cannot exceed the lesser of:

- \$46,000 in 2007; or
- 100 percent of your compensation.

Rollover Contributions and investment earnings do not count against this annual contribution limit. The IRS may adjust the annual contribution limit. For amounts beyond 2007, refer to the IRS Web site at [www.irs.gov](http://www.irs.gov).

### **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 disproportionately benefit 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 applicable limit for 2007 (used to determine who is a HCE for 2007) is \$100,000. You will be notified if your Before-tax Contributions will be limited or if any portion of your Before-tax Contributions will need to be returned to you.

The IRS may adjust the annual HCE compensation limit. For amounts beyond 2007, refer to the IRS Web site at [www.irs.gov](http://www.irs.gov).

## **About Vesting**

"Vesting" means you have a non-forfeitable right to all or a portion of your Savings Plan Account based on your vested percentage.

You are always 100 percent vested in the following:

- Your Before-tax Contributions;
- Your Rollover Contributions;
- Your Catch-up Contributions; and

- Investment results on the above contributions.

Regardless of your service, you also become 100 percent vested in your Employer Match Contributions if you reach age 65 or die while you are working for the Company.

***Ohio Operations Employees***

Employees working in the Ohio Operations are vested in Employer Match Contributions immediately.

**Note:** If you received a Fixed Company Contribution and/or a Transition Company Contribution for 2006, you will be 100 percent vested in those contributions after five years of service, including service with NewPage.

***Pennsylvania Operations Employees***

Employees working in the Pennsylvania Operations earn one vesting year for each calendar year you are a salaried or hourly Glatfelter employee. You must earn at least 1,000 hours of service (see below) in a calendar year in order to complete one vesting year for the Employer Match. The vested percentage of your Employer Match Contributions increase December 31 of each calendar year as follows:

<b>Years of Service</b>	<b>Percentage Vested</b>
At least 2 years	25.0%
3 years	50.0%
4 years	75.0%
5 years or more	100.0%

**Hours of Service**

For purposes of this Plan, an hour of service includes each hour for which you are entitled to be paid by the Company or an affiliated company (including working time, paid holidays, paid vacation, paid sick leave, and paid overtime). You may also be credited with hours of service for periods with certain other employers, such as Schoeller & Hoesch, N.A., Inc. Company-

approved leaves of absence and layoff periods also will count toward hours of service. Payroll records are typically used to determine your hours. If these records are not available, hours of service are determined using an equivalent period of employment.

**Forfeitures**

If you leave Glatfelter before you are 100 percent vested in the Employer Match Contributions, you will forfeit the non-vested portion (subject to the rules regarding Breaks in Service, see below). For example, if you are 25 percent vested, you will forfeit 75 percent of your Employer Match Contributions if you leave Glatfelter. If you are rehired within five years, the Company will restore the amount you forfeited, as long as you repay the full amount you may have received.

**Break in Service**

A Break in Service is any calendar year in which you have less than 500 hours of service. However, you will be credited with enough hours to prevent a Break in Service for the first year in the following circumstances:

- layoffs of less than one year,
- approved leaves of absences,
- if you are first absent due to a pregnancy, birth of a child, caring for a child immediately after birth or adoption, or family or medical leave covered by the Family Medical Leave Act, or
- military service, if you return to work for the Company within the time prescribed by law.

If you return to work at the Company after a Break in Service:

- You will receive vesting credit for the period of time you were away, in addition to the time you worked before you left, if the break is for less than one year.

- You will receive vesting credit for your service before the break, if the break is for less than five years.
- You will receive no credit for service before the break, if the break is for five or more consecutive years and you are not vested at the time you terminate employment.

**Remember:** You will be vested upon your return, if you are vested when you leave before a Break in Service and you do not receive a distribution of your Savings Plan Account. If you received a distribution, the Company will restore the amount you forfeited only if you repay the full amount

## About Your Account Investments

You may choose how to invest the money in your Savings Plan Account. The Plan offers a wide variety of investment options, each involving a different degree of risk and potential return on your investments. You can invest your entire Savings Plan Account balance in one fund, or invest in multiple funds in 1 percent increments.

When making your investment decisions, consider two factors:

- the degree of risk with which you are comfortable, and
- the number of years available to you to achieve your financial goals.

“Risk” is the extent to which your Savings Plan Account balance may increase due to investment gains or decrease due to investment losses. In general, the greater the risk, the greater the potential return on your investment; and the lower the risk, the lower the rate of potential return. Keep in mind that investing is generally a long-term process. Your Savings Plan is intended to help you build funds for retirement. The duration of time you intend to invest in the Plan before retiring will help determine how much investment risk you should take. For

assistance, contact Fidelity at [www.401k.com](http://www.401k.com) or call the Fidelity Retirement Benefits Line at **800-835-5091**. We also suggest you consult a professional tax advisor.

### MAKING YOUR INITIAL INVESTMENT DECISION

When you first enroll in the Plan, you will select the investment fund or funds for the investment of your Before-tax Contributions. If you select more than one investment fund, your election must be made in whole percentages, and must result in the investment of 100 percent of your funds. For example, if you choose three different investment funds, you could invest 35 percent in the first fund, 60 percent in the second fund, and 5 percent in the third fund.

Fidelity can provide comprehensive information about the funds available under the Plan, including an explanation of the investment objectives and policies of each fund. Before you make your investment decisions, evaluate your choices carefully by reviewing each fund's performance as well as any other available information about the investment options (including the prospectuses).

**Note:** All Employer Match Contributions are initially invested in shares of Glatfelter Common Stock. At any time, you may elect to invest the value of that contribution in one or more of the other investment options by going to [www.401k.com](http://www.401k.com) or by calling the Fidelity Retirement Benefits Line at **800-835-5091**.

### INVESTMENT FUNDS

The Plan offers a choice of several different investment options within a diversified array of mutual funds, as well as a Glatfelter Stock Fund which depends entirely on the performance of Glatfelter Common Stock. Each available investment option has its own distinct characteristics. Information

about the available investment options, investment objectives, and risk and return expectations are available from Fidelity at [www.401k.com](http://www.401k.com) or by calling the Fidelity Retirement Benefits Line at **800-835-5091**.

**Reminder:** All Employer Match Contributions are made initially invested in shares of Glatfelter Common Stock. At any time, you may elect to invest the value of that contribution in one or more of the other investment options by going to [www.401k.com](http://www.401k.com) or by calling the Fidelity Retirement Benefits Line at **800-835-5091**.

## FUND FEES

Returns for the Plan's mutual fund options are affected by mutual fund fees and expenses which are described in the prospectuses for those funds (available by calling Fidelity). Glatfelter Common Stock which is acquired for your Account pursuant to your Before-Tax Contributions or the Company's Match Contributions, is acquired directly from the Company and there are no brokerage commissions payable. If you choose to transfer dollars from other Plan investments into the Glatfelter Stock Fund, it is possible that this may require the purchase of Glatfelter Common Stock on the open market. If so, the value of Glatfelter Common Stock may be reduced by brokerage commissions payable.

## CHANGING YOUR INVESTMENT DECISION

You may change your investment elections as often as you wish by visiting [www.401k.com](http://www.401k.com) or calling the Fidelity Retirement Benefits Line at **800-835-5091**. You must specify whether the change applies to future contributions only, to money already contributed, or to both past and future contributions. You can also elect to invest the value of Employer Match Contributions (which are initially invested in the Glatfelter Stock Fund) in one or more of the other investment options. If you call before 4 p.m., the change will take affect at

the end of that business day. If you call after 4 p.m. EST or on a weekend or holiday, the change will take affect as of the end of the next business day.

## VOTING ON COMPANY STOCK

If any portion of your Savings Plan Account is invested in the Glatfelter Stock Fund, you will have the opportunity to direct the Trustee how to vote your shares at any regular or special meeting of the Company's shareholders. Before the meeting, you will receive a Voting Instruction Form and instructions to complete the form. You will be asked to return the form either to the Trustee or to an outside tabulation firm directly. The Company will not know how you voted. Your voting decision will be kept confidential. If you do not return a completed instruction form, the stock held in your Savings Plan Account will not be voted.

## COMPLIANCE WITH SECTION 404(C) OF ERISA

The Plan is intended to be a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

You have the authority and responsibility for deciding how to invest your money among the funds available and are responsible for your investment decisions, including any losses attributable to those decisions. Glatfelter, as Plan Fiduciary, is obligated to comply with your investment instructions and isn't liable for any investment losses resulting from those decisions. It is your responsibility to monitor the performance of your investments.

To comply with section 404(c), the Savings Plan permits you to choose from a broad range of investment alternatives and will provide you with certain information about the investment alternatives and the operation of the Savings Plan. In addition to

the information included in this summary, you may request:

- a description of the annual operating expenses of each investment fund, and the aggregate amount of those expenses expressed as a percentage of average net assets of the investment fund;
- copies of any prospectuses, financial statements and reports, and of any other materials relating to the investment funds, to the extent such information is provided to the Savings Plan;
- a list of the assets comprising the portfolio of each investment fund which constitute plan assets within the meaning of ERISA, and the value of each such asset;
- information concerning the value of shares or units in each investment fund, as well as the past and current investment performance of such investment fund, determined net of expenses, on a reasonable and consistent basis; and
- information concerning the value of shares or units in investment funds held in the Savings Plan Account of the participant or beneficiary.

To request any of this information, visit **www.401k.com** or call the Fidelity Retirement Benefits Line at **800-835-5091**.

Before investing in any of the mutual funds, read the related prospectus which contains additional information about the fund. You may request copies of any of the prospectuses by visiting **www.401k.com** or calling the Fidelity Retirement Benefits Line at **800-835-5091**. For additional information about the Glatfelter Stock Fund, see the *Appendix I – Glatfelter Common Stock*.

No one at the Company is authorized to give you investment advice. You should seek advice from your own financial advisor with respect to your investment elections.

## QUARTERLY STATEMENTS

You will automatically receive a statement of your Savings Plan Account following the end of each calendar quarter. You may also request an electronic copy of your statement, or electronic only copies of your statement, by visiting Fidelity's Web site at **www.401k.com** or calling the Fidelity Retirement Benefits Line at **800-835-5091**. The statement will reflect contributions made, earnings, investment changes, loans, withdrawals and distributions that occurred during the quarter.

## Distributions

### WHEN YOU CAN RECEIVE A DISTRIBUTION

The full value of your Savings Plan Account (including any unvested portion of Employer Match Contributions) is payable:

- to you when you retire at age 65 or after, and
- to your beneficiary if you die while still working for the Company.

You may receive the vested portion of your Savings Plan Account prior to age 65 or death, if:

- you terminate employment, or
- you retire because you are disabled under the Company's Long-term Disability Plan for Salaried Employees.

Keep in mind that an early-withdrawal penalty tax of 10 percent, in addition to ordinary income tax, may be applied on any withdrawal made from the Plan before age 59½ (*see the Understanding Taxes section*). You may defer all taxes by rolling your account balance into an Individual Retirement Account (IRA) or another eligible retirement plan. **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.

If you terminate your employment with Glatfelter, you may leave your Savings Plan Account balance in the Plan until age 65, or when you die, whichever comes first.

## DISTRIBUTION OPTIONS

### *Account Values Up to \$1,000*

If the value of your vested Savings Plan Account (excluding Rollover Contributions, if any) is not more than \$1,000, your vested Savings Plan Account will be automatically distributed to you in a single sum cash distribution, less applicable withholdings.

### *Account Values Between \$1,000 and \$5,000*

If your vested Savings Plan Account balance (excluding Rollover Contributions, if any) is greater than \$1,000 but not more than \$5,000, you will be notified that your entire vested account balance will be transferred to an Individual Retirement Account (Rollover IRA) designated by the Plan Administrator, unless you request either a single sum cash distribution or a rollover distribution of your choice.

### *Account Values Greater than \$5,000*

If your vested Savings Plan Account balance (excluding Rollover Contributions, if any) is greater than \$5,000, there are two distribution options available to you.

- **Single Sum Distribution** — receive your Savings Plan Account balance as a single sum distribution. The taxable portion of your distribution will be subject to a mandatory 20 percent federal income tax withholding. If you choose to receive all or a portion of your Account as a single sum distribution before age 59 ½ (unless you meet one of the limited exceptions to this rule) you will be required to pay a 10 percent early distribution penalty as well (*see the Understanding Taxes section*).

- **Distribution Installments** — receive your Savings Plan Account balance as equal monthly, quarterly or annual installments over a period of years. This period is limited to a length of time no longer than your life expectancy or the combined life expectancies of you and your beneficiary.

### *Direct Rollover Distribution*

As an alternative to a distribution, you may request that your Savings Plan Account balance be rolled over into an Individual Retirement Account (IRA) or another eligible retirement plan. By directly rolling over your Savings Plan Account, you postpone paying income taxes on the money until it is later received by you from the new plan.

### *Age 70½ Distributions*

Your benefits must be distributed to you, or begin to be distributed to you, no later than the April 1 following the later of the calendar year in which you:

- reach age 70½; or
- terminate your employment.

## BENEFITS FOR YOUR BENEFICIARY

If you die before your Savings Plan Account balance has been entirely paid out to you, your spouse (or designated beneficiary) will be entitled to receive all undistributed amounts in your Savings Plan Account as a single sum distribution. (*See the Naming a Beneficiary section.*)

## APPLYING FOR YOUR BENEFIT

To request a distribution, go to **www.401k.com** or call the Fidelity Retirement Benefits Line at **800-835-5091**. Payments will normally be made within four weeks after your request.

## **IF YOUR CLAIM IS DENIED**

If your claim for benefits is denied, in whole or in part, you will receive an explanation, either in writing or via email, within 90 days after receipt of your claim. In some instances, the Administrator may extend the period for a determination for no more than an additional 90 days, in which case you will be so advised. The 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 appealing your claim, the time limits applicable to such procedure, and your right to bring a civil action under Section 502(a) of ERISA if your claim should be denied on an appeal.

### ***Your Right to Appeal***

You have the right to appeal a denial of your claim. You (or your authorized representative) must submit a written appeal to the Administrator within 60 days after you receive the claim denial notice. In connection with your request for review, you (or your authorized representative) may submit to the Administrator 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. If you fail to request a review within 60 days, it shall be conclusively determined for all purposes that the denial of the claim is correct.

You can contact the Administrator for appeals regarding the Plan at:

P.H. Glatfelter Company  
96 S. George Street  
York, PA 17401  
Phone: 717-225-4711

### ***Review of Your Appeal***

The Administrator will conduct a full and fair review of your appeal, and will notify you of the decision within 60 days, either in writing or via email. In some instances, the Administrator may extend the period for determination for no more than an additional 60 days and will notify you before the end of the initial 60-day period. The 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.

Any failure on your part to comply with the request for information by the Administrator constitutes sufficient grounds for delay in the payment of benefits until such information is received.

### ***Final Decision***

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

In making a final decision, the 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.

## **More About Taxes**

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

Whenever you make a withdrawal or receive a distribution from the Plan, you will have to pay income taxes that may be due on the taxable portion of your distribution.

The value of your Before-tax Contributions, Catch-up Contributions and any Company Contributions, as well as any positive

results your investments generate, will be subject to taxes.

If your beneficiary receives your Savings Plan Account balance because of your death, he or she may be required to pay income taxes when the money is received.

The following is an example of the tax treatment on Before-tax Contributions (pay taxes when you take a distribution):

	Before-tax Contributions
Total Amount Available to Invest	\$20,000
Federal Tax Paid at time of Contribution	\$0
Net Contribution to Plan	\$20,000
Savings Plan Account Balance at Distribution	\$93,219

Federal Tax Rate at Distribution	Net Proceeds
Lower – 23%	\$71,779
Same – 28%	\$67,118
Higher – 33%	\$62,457

The example is for illustration purposes only and not meant to assure or imply the performance of any investment. Calculations include an 8 percent annual return compounded annually over 20 years and is based on 2007 income tax rate of 28 percent, excluding standard deduction and personal exemptions. This example also assumes that no withdrawals will be made during the 20-year investment period.

**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.

## TAX DEFERRAL ON INVESTMENT RESULTS

The value of your Before-tax Contributions, Catch-up Contributions and any Company Contributions, as well as any positive results your investments generate, are not taxed for as long as they remain in the Plan. This may result in increased savings because you gain further investment results on the money that would have gone toward paying taxes.

## 20 PERCENT MANDATORY FEDERAL WITHHOLDING TAX

All distributions from the Plan that are eligible for rollover are subject to a 20 percent federal income tax withholding. You may avoid the required withholding by directly rolling over your Savings Plan Account to another eligible employer-sponsored plan.

**Note:** Hardship withdrawals are not eligible to be rolled over and not subject to mandatory withholding. However, such withdrawals will be reported as taxable income.

## 10 PERCENT EARLY WITHDRAWAL PENALTY TAX

If you receive a distribution from the Plan, you'll have to pay a 10 percent penalty tax, in addition to regular income taxes, unless:

- you are age 59½ or older at the time of the distribution;
- you were determined to be disabled by the Company's Long-term Disability Plan;
- you terminate employment on or after age 55 and, thereafter, receive the distribution;
- 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);

- if the distribution is made for medical care, and is not in excess of amounts allowable as a deduction under Code section 213.; or
- you roll over the taxable portion to another eligible employer-sponsored plan, or annuity within 60 days of receiving the distribution.

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

**Note:** The rules governing income tax consequences of payments from plans like this are complex. This section is intended only to highlight some 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.

## Loans

While the Company offers the Plan primarily as a means to save for retirement, the Plan does provide a loan feature for active employees that allow you to borrow from the vested portion of your Savings Plan Account without taking a taxable distribution.

There are a number of advantages and disadvantages to borrowing from your Savings Plan Account instead of withdrawing money. We suggest you consult a professional tax advisor.

### WHAT YOU CAN BORROW

You may have up to two outstanding loans at any time (three loans, if one loan was used to help you buy or build your main residence). The minimum loan amount is \$1,000.

The total outstanding balance of all loans can never be more than:

- 50 percent of your vested Savings Plan Account balance; or
- \$50,000.

There is a cost to initiate a loan (see *the Loan Fees section*).

### HOW INTEREST IS DETERMINED

Interest on the loan will equal 1 percent above the “prime rate” at the time your loan is approved. This rate will remain the same for the entire period of the loan.

### APPLYING FOR A LOAN

To apply for a loan, go to **www.401k.com** or call the Fidelity Retirement Benefits Line at **800-835-5091**. When you apply, you must designate the period of time you will need to repay the loan. If you are requesting a loan with a term of more than five years to buy or build your principal residence (see *Repaying a Loan*), you may need to provide evidence supporting the reason for the loan.

### REPAYING A LOAN

Generally, loans must be repaid within five years. However, loans used to buy or build your principle residence may extend as long as 15 years. You repay the loan in installments through payroll deductions. You will authorize these deductions when you request the loan. You may pay off the outstanding balance at any time without penalty by visiting the Fidelity Web site at **www.401k.com** or by calling the Fidelity Retirement Benefits Line at **800-835-5091**. Partial prepayments are also permitted.

Your vested Savings Plan Account is considered security for your loan. If you stop repaying your loan (for example, because you leave the Company), the outstanding balance, including accrued

interest, will become due and payable immediately.

## IF YOU DO NOT REPAY A LOAN

If you do not make the required repayments in a timely manner as determined by the Plan Administrator, you will be deemed to have received a taxable distribution from the Plan and the amount owed will be deducted from your Savings Plan Account before you or your beneficiary may receive a distribution. The Administrator is then required by law to issue a tax form indicating that a taxable distribution has been made to you by the Plan. That means you will be required to pay applicable federal, and/or state income tax on the amounts, as well as a possible early withdrawal tax penalty.

## LOAN FEES

The cost to initiate a loan includes a one-time loan initiation fee of \$35, and an additional \$15 fee for administrative costs per loan per year. Loan fees will be deducted from your Savings Plan Account.

# Withdrawals during Employment

While the Company offers the Plan primarily as a means to save for retirement, it's possible that you may need access to your Savings Plan Account prior to retirement to pay for other important expenses. Therefore, the Plan permits certain types of in-service withdrawals. The minimum withdrawal amount is \$1,000. You may not withdraw any portion of your Savings Plan Account that you have pledged as collateral for a loan.

## AGE 59½ WITHDRAWAL

Once you reach age 59½, you are eligible to withdraw all or a portion of your vested Savings Plan Account balance.

## HARDSHIP WITHDRAWAL

You may withdraw all or a portion of your vested Savings Plan Account if you have an emergency or financial hardship while actively employed by the Company. Before you apply for a hardship withdrawal, you must first take all un-taxable loans from this Plan and any other Company-sponsored qualified retirement savings plan in which you maintain an account. The amount of the withdrawal may not exceed the amount necessary to satisfy the hardship plus any taxes, including penalty taxes on the withdrawal.

The Plan allows hardship withdrawals for the following reasons, in accordance with IRS regulations:

- expenses for (or necessary to obtain) medical care that would be deductible under the Internal Revenue Code 213(d), without regard to whether the expenses exceed 7.5 percent of adjusted gross income;
- costs directly related to the purchase of your principal residence, excluding mortgage payments;
- payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for you, your spouse, children, or dependents as defined in Code 152;
- payments necessary to prevent your eviction from your principal residence or foreclosure on the mortgage on that residence;
- payments for burial or funeral expenses for the your deceased parent, spouse, children or dependents as defined in Code 152; or
- expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Code 165 (determined without regard to whether the loss exceeds 10 percent of adjusted gross income).

**Note:** If you receive a hardship withdrawal, your ability to contribute to the Plan will be suspended for a period of six months from the date of the withdrawal. You may start contributing again at any time after that date by re-enrolling.

If you were a participant in one of the prior plans or in the Spring Grove Hourly Profit Sharing Plan, you may be eligible for other types of withdrawals. See the “*Special Circumstances*” section for more information.

***Special Note for Participants in a Prior Company-sponsored Savings Plan or the Spring Grove Hourly Profit Sharing Plan***

If you were a participant prior to October 1, 1995 in a Company-sponsored profit sharing plan that was merged into this Plan, or if you had been a participant in the Spring Grove Hourly Profit Sharing Plan and had your account under that plan transferred to this Plan, you retain the right to make certain additional withdrawals as permitted under the terms of those prior plans. The only amounts available for this withdrawal are your pre-1980 elective deferrals and any non-elective contributions made by the Company. You must withdraw either 50 percent or 100 percent of this amount at a time.

You may request this type of withdrawal in December of your fifth year participating in this Plan (counting years in the prior plans) and in each tenth calendar year afterwards. You will receive payment in January.

## REQUESTING A WITHDRAWAL

You may request a withdrawal by visiting the Fidelity Web site at **www.401k.com** or by calling the Fidelity Retirement Benefits Line at **800-835-5091**. Please submit your request as early as possible to allow time for processing the payment. You will typically receive the withdrawal within five to 10 business days.

You may be asked to provide evidence of the reason you are requesting a withdrawal

and prove that the amount you withdraw does not exceed the amount necessary to satisfy the hardship plus any taxes (including penalty taxes) on the withdrawal. You must also agree to stop making Before-Tax Contributions to the Plan for six months.

## TAXES ON WITHDRAWALS

An early withdrawal penalty tax of 10 percent, in addition to ordinary income tax, is generally assessed on the taxable amount of any withdrawal made from the Plan before age 59½ (see the *Understanding Taxes* section).

# Special Circumstances

## IF YOU TRANSFER

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

- If you transfer to a location or position that is part of a union, or are otherwise ineligible to participate in the 401(k) Savings Plan for Salaried and Non-union Hourly Employees, you will be eligible to participate in the Company-sponsored 401(k) savings plan available under the applicable collective bargaining agreement and your Savings Plan Account balance (including outstanding loans) will be automatically transferred to your new plan.
- If you are a participant in another Company-sponsored 401(k) savings plan and transfer into a position or location eligible for this 401(k) Savings Plan for Salaried and Non-union Hourly Employees, you will become eligible to participate in this Plan and your Savings Plan Account balance (including outstanding loans) will be automatically transferred to this Plan.

### *Other Rules*

- Unless you chose to change or cancel your election, the percentage rate at which you were making before-tax contributions under the plan from which you are transferring will continue under your new plan.
- Your transferred account balance, as well as new contributions going forward, will be invested in the same funds as you had elected under the plan from which you are transferring. You may change your contributions or investment choices at any time by visiting the Fidelity Web site at **www.401k.com** or by calling the Fidelity Retirement Benefits Line at **800-835-5091**.
- The terms of the new plan will apply to you (e.g., respect to any differences in the rate of Employer Match Contributions).
- If you have an outstanding loan balance, it will be transferred to your new plan and you will continue to make payments to that plan.

The vested amount of your Savings Plan Account balance will never be less than the amount you accrued before your transfer.

### *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 IN THE MILITARY**

If you leave the Company to perform military service in the United States Armed Forces (including the Army and Air National Guard

when engaged in active duty for training, inactive duty training, or full-time National Guard duty), you have certain rights in the Plan if you return to the Company within the period of time during which your reemployment rights are protected by law.

- For purposes of eligibility and vesting, you will be deemed an eligible employee during your period of qualifying military service, provided you return to work for the Company within the time prescribed by law. No Break in Service will occur and you will earn hours of service toward your years of Vesting Service at the same rate at which you would have earned such service had you remained an active employee.
- Although no contributions will be made to the Plan during your period of absence while in military service, after you return to employment you will be able to “make-up” the Before-tax Contributions you could have made during your absence from employment. You may contribute your make-up contributions at any time within five years following your return to employment (or, if shorter, within a period equal to three times the length of your qualifying military service).
- If you contribute make-up contributions, the Company will match these contributions on the same basis that these contributions would have been matched had they been contributed in the year to which they relate. The Employer Match Contributions will not, however, include the earnings that would have accrued on such amounts.
- If you had received a loan from the Plan prior to entering qualifying military service, you will not be required to repay the loan during your absence and such failure to repay will not be considered a default. Your loan repayment obligation will resume upon your reemployment.

# Other Important Information

## ASSIGNMENT OF BENEFITS

The Plan is intended to be used exclusively to provide benefits to you and, under certain circumstances, to your survivors. Neither you nor the Company can assign, transfer, or attach your benefits or use them for collateral.

## QUALIFIED DOMESTIC RELATIONS ORDER (QDRO)

Federal law prohibits assignment or attachment of your benefits from the Plan except under a QDRO. A QDRO is a court order, issued in connection with a divorce or family support proceeding, which orders the Plan to pay benefits to someone other than you (e.g., your spouse, former spouse, child or other dependent). The Company must obey these court orders, and any such payment will not violate the rule of non-assignability of benefits.

The Administrator may be required to begin making payments pursuant to a QDRO from your Savings Plan Account while you are still working. The Administrator has no discretion in these matters. However, you will be notified if the Plan receives notice of a domestic relations order that may affect your benefits. You are entitled to receive, without charge, a copy of the Plan's procedures governing QDRO determinations by writing to the Administrator.

## IRS APPROVAL

The Plan is subject to the continuing approval of the IRS. Therefore, the Plan may change from time to time or be discontinued to comply with certain IRS regulations or any changes in the Internal Revenue Code or any other applicable law.

## RIGHT TO AMEND OR TERMINATE THE PLAN

It is the Company's intent to continue the Savings Plan indefinitely. However, the Company reserves the right to amend or terminate the Savings Plan at any time or for any reason by action of the Company's Board of Directors or its delegate.

If the Savings Plan is ever terminated, you will automatically become 100 percent vested in your Savings Plan Account.

# Your Rights Under ERISA

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

- Examine, without charge at the Administrator's office, copies of all documents governing the Plan 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 the latest annual report (Form 5500 Series) and 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 Account. 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, the court may order you to pay these costs and fees (for example, if it finds your claim is frivolous).

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.

## **Plan Administration**

### **PLAN SPONSOR**

P.H. Glatfelter Company  
96 S. George Street  
York, PA 17401  
Phone: 717-225-4711

### **PLAN NAME**

Glatfelter 401(k) Savings Plan

### **PLAN NUMBER**

017

## PLAN TYPE

The Plan is a defined contribution plan, intended to satisfy the applicable provisions of sections 401(a) and 401(k) of the Internal Revenue Code. It is considered a profit sharing plan under Code rules. The Plan is not insured by the Pension Benefit Guaranty Corporation (PBGC) because the PBGC only insures the type of plan called a “defined benefit” pension plan.

## PLAN YEAR

January 1 to December 31

## PLAN ADMINISTRATOR, NAMED FIDUCIARY AND AGENT FOR SERVICE OF LEGAL PROCESS

The Plan Administrator is responsible for administration of the Savings Plan according to the terms of ERISA and the Savings Plan document. The Plan Administrator is the P.H. Glatfelter Company, who may delegate any or all of its authority to the Trustee, to specific employees or offices at the Company, and/or to a committee consisting of Company officers, directors or employees. To the extent the Plan Administrator has delegated its authority, the delegate has all of the powers and responsibility of the Plan Administrator. The Plan Administrator has the power and authority to interpret and construe the provisions of the Savings Plan and has sole discretion in making determinations under the Savings Plan, including but not limited to, determinations of fact, eligibility for benefits, and deciding any dispute that may arise regarding the rights of participants or their dependents under the Savings Plan. All interpretations and decisions of the Plan Administrator are final and binding on all parties.

It is anticipated that the Plan will be administered strictly in accordance with

its provisions and in compliance with all laws. However, should the need occur, legal process can be served on the Plan by directing such legal process to the Plan Administrator.

Inquiries about the Plan should be directed to Fidelity at **www.401k.com** or the Fidelity Retirement Benefits Line at **800-835-5091**. If you do not receive a satisfactory response, you may contact the Corporate Benefits Department or the Plan Administrator.

## PLAN TRUSTEE

Funds for the Plan are held in trust for the sole purpose of paying Plan benefits and operating expenses. These funds are held and invested by the Plan’s Trustee in accordance with a Master Trust Agreement with P.H. Glatfelter Company. You can write to the Trustee in care of the following address:

Fidelity Management Trust Company  
82 Devonshire St.  
Boston, Massachusetts 02109  
Phone: 617-563-7000

## PLAN EXPENSES

All administrative costs relating to the Plan are paid by the Company, except the fees associated with taking a loan (*see the Loan Fees section*), and charges for overnight delivery or in-service distribution, if requested.

## EMPLOYMENT RIGHTS

Being a participant in the Savings Plan does not guarantee you current or future employment rights. Plan participant is not an inducement or condition of employment. Your right to any payment is determined solely under the terms of the Savings Plan and the procedures within.

# Appendix I – Glatfelter Common Stock

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933, as amended (the “Securities Act”). The purpose of the prospectus is to provide you with information about the Company, the Company’s Common Stock, and the Company’s 401(k) Savings Plan and its operations, so that you will be able to make an informed decision as to whether to invest in the Savings Plan and whether to purchase the Company’s Common Stock through the Savings Plan. An aggregate of 3,390,167 shares of Glatfelter Common Stock, at \$.01 per share, have been registered under the Securities Act for purchase under the Savings Plan. This number may change in the future.

Contributions to the Glatfelter Stock Fund will be used to purchase shares of the Common Stock of Glatfelter at prevailing market prices (“Glatfelter Common Stock”). The Fund is not diversified and its performance depends entirely on the performance of Glatfelter Common Stock. As with other stocks, the value of Glatfelter Common Stock will fluctuate and your investment in this Fund will increase or decrease accordingly.

The high and low market prices on Glatfelter Common Stock on the New York Stock Exchange and the dividends paid per share of Glatfelter Common Stock for each quarter during the years 2005, 2006 and 2007 are listed below:

<u>Quarter</u>	<u>2005</u>			<u>2006</u>			<u>2007</u>		
	<u>High</u>	<u>Low</u>	<u>Dividends</u>	<u>High</u>	<u>Low</u>	<u>Dividends</u>	<u>High</u>	<u>Low</u>	<u>Dividends</u>
1 <sup>st</sup>	\$15.47	\$12.86	\$0.09	\$18.65	\$13.12	\$0.09	\$18.05	\$14.86	\$0.09
2 <sup>nd</sup>	\$14.93	\$10.95	\$0.09	\$19.84	\$14.45	\$0.09	\$16.30	\$12.92	\$0.09
3 <sup>rd</sup>	\$14.92	\$12.00	\$0.09	\$16.23	\$12.98	\$0.09	\$15.59	\$12.47	\$0.09
4 <sup>th</sup>	\$15.11	\$12.41	\$0.09	\$15.95	\$13.26	\$0.09	\$17.23	\$14.00	\$0.09

An updated stock price for Glatfelter Common Stock can be found on the Company’s Web site at [www.glatfelter.com](http://www.glatfelter.com).

With respect to its Common Stock, the Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the “Commission”). Reports, proxy statements and other information filed by the Company may be reviewed without charge and copied at the Commission’s public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20549. You can request copies of these documents by writing to the Commission and paying a fee for the copying cost. Please call the Commission at 1-800-SEC-0330 for more information about the operation of the public reference rooms. The Company’s Commission filings are now available at the Commission’s website at [www.sec.gov](http://www.sec.gov).

The Company has filed with the Commission Registration Statements on Form S-8 File Nos. 33-62331 and 333-26587 (together with all amendments and exhibits thereto, the “Registration Statement”) under the Securities Act of 1933, as amended (the “Securities Act”), covering the securities which may be offered under the Plan. This prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is made to the Registration Statements and documents incorporated therein by reference.

The Company will deliver or cause to be delivered a copy of its most recent annual report to shareholders or its most recent annual report on Form 10-K to each person who receives this

document who has not previously received such reports. In addition, each person participating in the Savings Plan, who does not otherwise receive such materials as a shareholder of the Company, will be provided with copies of all reports, proxy statements and other communications distributed to the shareholders of the Company generally. The Company also undertakes to provide, without charge, to each person to whom this document is delivered, upon the written or oral request of such person, a copy of any or all of the documents which have been or may be incorporated by reference in Item 3 of Part II of the Registration Statements (as well as the items described below under "Incorporation of Certain Documents by Reference" and incorporated herein by reference), other than exhibits to such documents, and any other documents required to be delivered pursuant to Rule 428(b) of the Securities Act. Such requests should be directed to the Director of SEC Reports, P. H. Glatfelter Company, 96 South George Street, York, PA 17401 (717-225-4711). Additional information about the Savings Plan and its administrators may be obtained by writing to or telephoning the Company at the address or telephone number listed above.

Except where otherwise indicated herein, this document speaks as of its date, and neither the delivery of this document nor any sales hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Company since that date or that the information contained herein is correct as of any time subsequent to that date. No person has been authorized to give any information or to make any representations, other than as contained in this document and in other documents relating to the Savings Plan delivered to eligible persons in connection with the offer described in this document and, if given or made, such information or representations must not be relied upon. This document does not constitute an offer of any securities other than those to which it relates, or an offer of those to which it relates in any state to any person to whom it is unlawful to make such offer in such state.

## **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The following documents filed with the Commission pursuant to the Exchange Act by the Company (File No. 1-3560) are incorporated herein by reference:

- (i) the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006;
- (ii) the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2007;
- (iii) the Company's Current Reports on Form 8-K filed on March 2, 2007, March 13, 2007, June 12, 2007, August 13, 2007, November 19, 2007, December 3, 2007 and December 20, 2007;
- (iv) the Savings Plan's Annual Report on Form 11-K for the fiscal year ended December 31, 2006; and
- (v) the description of the Company's Common Stock contained in the Company's Registration Statement filed on Form 8-A filed with the Commission on October 23, 1998.

Each document filed by the Company and the Savings Plan pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date hereof and prior to the filing of post-effective amendments which indicate that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in the Registration Statements and shall be a part hereof from the date of filing of such document. Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein (or any other subsequently filed document which also is incorporated by reference herein) modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part hereof except as so modified or superseded.