



**G L A T F E L T E R**  
*Beyond Paper*

# **Summary Plan Description**

## **Glatfelter Retirement Plan for Hourly Employees**

**Union Hourly Employees  
of Glatfelter at Chillicothe, Ohio**

**USW Local Nos. 731 and 988  
OPEIU Local No. 422 (Plant and Clerical Office Units)**

**Effective April 1, 2006**

## Overview

This document is the Summary Plan Description (SPD) of the Glatfelter Retirement Plan for Hourly Employees. This SPD describes the pension benefit as it applies to union hourly employees in the Company's Ohio Operations as of April 1, 2006 (hereafter referred to as the "Plan" or "Ohio Plan").

In general, the Plan and this SPD are applicable to U.S.-based union hourly employees in the Ohio Operations represented by Local 731 or 988 of United Steelworkers (USW), or Local 422 of Office and Professional Employees International Union (OPEIU).

If you are a salaried or non-union hourly employee, or a union hourly employee in the Company's other operations, you are not a participant in this Plan and 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 (ERISA), as amended. 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 Retirement Plan for Hourly Employees in the Ohio Operations?***

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 the Glatfelter 401(k) Savings Plan for Hourly Employees, or amounts from your own retirement savings.

In general, your benefit is determined in accordance with a formula based on your length of service and the applicable benefit multiplier (called the Benefit Rate) at the time you retire or leave service with the Company. The amount of your pension benefit depends on the amount of Benefit Years you have earned, the applicable Benefit Rate, whether or not your benefit is vested, the timing of when you decide to retire or receive your pension, and the form in which your benefit is paid.

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. Nothing contained in these materials constitutes, or is intended to create, a promise of continued employment.

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# Summary

This section is a highlight of the Ohio 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 U.S.-based union hourly employee in the Ohio Operations represented by Local 731 or 988 of USW, or Local 422 of OPEIU.
- As an eligible employee, you are automatically enrolled in the Plan after you've worked for the Company for at least a 12-month eligibility service period.
- The Plan pays a benefit based on a formula that yields a monthly retirement pension benefit beginning at age 65, your normal retirement age. In general, the amount of your monthly pension at normal retirement age is based on your length of service as a covered union hourly employee in the Ohio Operations, and the Benefit Rate at the time you retire or terminate employment with the Company and all affiliates.
- If you choose not to retire or otherwise leave employment covered by the Plan at age 65, you may continue to work and earn benefits. An early retirement benefit is also available. The monthly amount of your retirement pension will vary to account for the shorter, or longer, period of time payments are expected to continue.
- All contributions to the Plan are made by the Company.
- Your benefits under the Plan become vested upon completion of five years of Vesting Service, or upon attaining age 55 as an active employee with one year of Vesting Service.
- Your pension benefit is designed to be paid as a monthly annuity, with a continuing annuity to your spouse (if applicable) following your death. However, you may elect to receive your pension benefit in any one of several different forms. If you are married, your spouse must consent to an annuity or Lump Sum distribution that does not provide a spousal survivor benefit.
- You do not pay taxes on Plan benefits until they are paid to you. You may defer taxes from a Lump Sum distribution by rolling it into another retirement plan or IRA.

***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.
- You have completed at least 12 months of continuous service with the Company.
- You are a U.S.-based union hourly employee in the Ohio Operations represented by Local 731 or 988 of USW, or Local 422 of OPEIU.

Throughout this document, the term “eligible employee” includes the above groups of eligible employees, and the term “Company” means your employer, P.H. Glatfelter Company.

Once you have completed 12 months of continuous service, you will become a participant in the Plan on the first day of the month following or coincident with the date you meet the service requirement, provided you are an eligible employee in the Ohio Operations at that time.

**Note:** If you were a NewPage employee and a participant in the NewPage retirement plan immediately prior to your hire by Glatfelter in April 2006, you became a participant in the Company’s Ohio Plan effective April 1, 2006.

## ***Exclusions***

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

- a salaried or non-union hourly employee;
- an hourly employee of the Company’s other operations and, therefore, active participant in another Glatfelter pension plan; or

- classified by the Company as a leased employee, or are engaged by the Company on an independent contractor basis.

*See the “Transfers and Re-employment” section for more information about transferring or being rehired.*

# Service

There are two types of service credit under the Plan: Benefit Years and Vesting Years. You can never lose your Benefit Years or Vesting Years once you are vested. However, if you are not vested, you may lose accumulated service credit during certain breaks in service as described in the “*Transfers and Re-employment*” section.

Note: If you were a participant of the NewPage retirement plan immediately preceding employment with Glatfelter in April 2006, your accumulated service under the NewPage plan will, in most cases, count toward your service under this Plan. Contact the Glatfelter Pension Service Center for specifics.

## BENEFIT YEARS

Benefit Years are measured in whole or partial years and used to calculate the amount of your pension benefit (*see the “Normal Retirement Pension” section*). For purposes of calculating your Benefit Years, any part of a month will be treated as a whole month.

You earn Benefit Years beginning with the date you satisfy the 12-month eligibility service requirement, and ending on the date you leave eligible covered employment with the Company. Benefit Years include your accumulated service with the Company as an eligible employee. You do not earn Benefit Years for periods of service while not eligible to participate in the Ohio Plan, such as service as a salaried or non-union

hourly employee, or service in the Company's other operations.

## VESTING YEARS

Vesting Years are measured in whole or partial years and used to determine whether you have a vested (non-forfeitable) right to a Plan benefit. For purposes of calculating your Vesting Years, any part of a month will be treated as a whole month.

You earn Vesting Years beginning with your date of hire, and ending on the date you retire or terminate employment with the Company.

Your benefits become vested when you:

- have earned five Vesting Years while employed by Glatfelter, or
- retire from active service with the Company (and all affiliates) on or after attaining age 55 with at least one Vesting Year.

## Calculating Your Benefit

The Plan benefit is determined in accordance with a formula based on your accumulated Benefit Years and the Benefit Rate applicable when you retire or stop working for the Company. See Appendix A for the current Benefit Rate.

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.

The benefit yielded by the formula represents your retirement pension payable following your normal retirement age (age 65) in the form of a Single-life Annuity with payments ending at your death.

## NORMAL RETIREMENT PENSION

The Plan's normal retirement age is 65. You can retire and begin to receive a Normal Retirement Pension on the first day of the month coincident with or next following your 65th birthday.

The Normal Retirement Pension is the standard pension benefit under the Plan and is calculated as a Single-life Annuity, which is a monthly amount paid to you during your lifetime. All types of pension benefits available under the Plan are calculated using the Normal Retirement Pension formula. Because the Normal Retirement Pension formula is based on a Single-life Annuity form of payment, the actual amount of your pension will vary, depending on the form in which you receive your benefit and the time your benefit commences.

If your pension is paid in the form of a Single-life Annuity, your monthly benefit will be calculated as follows:

### **Normal Retirement Pension = Benefit Rate x Benefit Years**

The amount of your payment will be adjusted if your benefit is paid in a different form, or if you retire from the Company before you reach the age of 65.

#### **Example: Calculating your Normal Retirement Benefit**

*John retires on July 21, 2006, his 65th birthday. John's pension as a Single-life Annuity, beginning on August 1, 2006, is calculated as follows:*

*Assuming John worked continuously since becoming a Plan participant, his Benefit Years as of July 21, 2006 (his last day) are 6 years, 9 months, or 6.75 years.*

*Applying the Benefit Rate for retirements on or after August 1, 2006 (\$39.50), John's monthly Pension as a Single-life Annuity will be \$266.63.*

**Normal Retirement Pension =  
(6.75 years) \* (\$39.50/month) = \$266.63**

*If you are married when your pension payments begin or otherwise choose to receive your benefit in a form other than a Single-life Annuity, your monthly payments will be less.*

## LATE RETIREMENT PENSION

Although the Plan's normal retirement age is 65, you will continue to earn Benefit Years until you retire or otherwise leave employment covered by the Plan.

- You will be notified that commencement of your pension will be suspended until you retire from employment with Glatfelter, or otherwise are required by law to begin receiving your benefit.
- When you retire, your pension will be calculated using the Normal Retirement Pension formula, based on your accrued Benefit Years and applicable Benefit Rate as of the date you retire.
- You may retire and begin to receive a Late Retirement Pension on the first day of the month following your retirement.
- For most participants, you must begin receiving a benefit by April 1 following the year in which you attain age 70½, or if later, retire. If you elect to receive an annuity, the monthly amount of your pension payments may be higher to account for the delay in commencement of your benefit. You will be notified if this rule applies to you.

## EARLY RETIREMENT PENSION

Although the Normal Retirement Pension is based on retirement on or after your 65th birthday, you may retire or leave the Company and begin to receive an Early Retirement Pension on the first day of any month on or after you reach age 55 if you have at least one Vesting Year.

Because an Early Retirement Pension is expected to continue for a longer period than a Normal Retirement Pension, the

monthly amount of your Early Retirement Pension may be less than the Normal Retirement Pension. However, if you meet certain requirements, all or a portion of this reduction will not apply.

For each month your Benefit Commencement Date precedes your Normal Retirement Date, your Early Retirement Pension will be calculated as follows:

- If you leave the Company on or after your 62nd birthday (but before your 65th birthday) and have earned at least 30 Vesting Years, your Early Retirement Pension will equal the amount calculated using the Normal Retirement Pension formula, unreduced for its early commencement.
- If you retire on or after your 55th birthday (but before your 65th birthday), your Early Retirement Pension will be calculated using "age plus Vesting Years" to determine the amount by which the Normal Retirement Pension will be reduced. For this purpose, your age means the age you are as of your Benefit Commencement Date (measured in whole years).
  - If your age plus Vesting Years is equal to or greater than 92, your Normal Retirement Pension will be reduced by 2 percent per year of early retirement.
  - If your age plus Vesting Years is equal to or greater than 90 but less than 92, your Normal Retirement Pension will be reduced by 3 percent per year of early retirement.
  - If your age plus Vesting Years is equal to or greater than 88 but less than 90, your Normal Retirement Pension will be reduced by 4 percent per year of early retirement.
  - If your age plus Vesting Years is less than 88, your Normal Retirement

Pension will be reduced by 5 percent per year of early retirement.

- If you wait to receive payments until you attain age 65, there will be no reduction.

The Plan Administrator will assist you in estimating the Early Retirement reduction that may be applicable.

## VESTED DEFERRED PENSION

If you stop working for the Company before your 55th birthday, but after you have earned at least five Vesting Years, you will be entitled to a Vested Deferred Pension, beginning on the first day of any month coincident with or following your 55th birthday. (You must begin to receive your pension by the first day of the month coincident with or next following your 65th birthday.)

The amount of your Vested Deferred Pension will depend on when you choose to begin receiving payments, as follows:

- If you begin to receive your Vested Deferred Pension on the first day of the month coincident with or next following your 65th birthday, your Vested Deferred Pension will be the amount determined using the Normal Retirement Pension formula, based on your Benefit Years and the Benefit Rate applicable on the date when you stop working for the Company.
- If you begin to receive your Vested Deferred Pension after you reach age 55 but before age 65, you will receive the benefit that would have been payable had you begun to receive your benefit on the first day of the month coincident with or next following your 65th birthday, reduced by 0.5 percent for each month your Benefit Commencement Date precedes your Normal Retirement Date. (Equals an annual reduction of 6 percent.)

If you are eligible for a Vested Deferred Pension and should become Disabled *after* you leave the Company, you may choose to begin receiving your Vested Deferred Pension early, provided the Plan Administrator determines you are disabled. (See the section titled "Disability" for a definition of disabled.)

If the Deferred Vested Benefit begins to be paid before your 55th birthday, it will be reduced actuarially to reflect its early commencement. If the Vested Deferred Pension begins to be paid after you attain age 55, it will be reduced for early commencement at the rate of 0.5 percent for each month (6 percent annually) that the Benefit Commencement Date of your Vested Deferred Pension precedes your Normal Retirement Date.

## 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 2006 at age 65, the limit on an annual Single-life Annuity payable from the Plan is \$175,000. This dollar limit is periodically adjusted for inflation. (See the IRS Web site for the limits after year 2006. Go to [www.irs.gov](http://www.irs.gov).)

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.

# Form of Your Benefit

In general, you may receive your benefit in any of the payment forms described below. However, if you are married and wish to choose a form other than the Joint & Survivor Annuity Pension with your spouse as your beneficiary, you must obtain your spouse's notarized consent (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 benefit available under the Plan are based on your Benefit Years and the Benefit Rate in effect for your employment group at the time of your retirement or termination. The actual amount of your benefit will vary, depending on the form in which you receive your benefit and your Benefit Commencement Date.

## STANDARD FORM OF BENEFIT

### ***If You Are Not Married***

If you are not married on your Benefit Commencement Date and you do not select one of the Optional Forms of Benefit, your pension benefit will be paid as a Single-life Annuity.

### ***If You Are Married***

If you are married on your Benefit Commencement Date and you do not select one of the Optional Forms of Benefit, your pension will be paid as a Joint & Survivor Annuity with your spouse as your survivor beneficiary. You will receive monthly benefits for the rest of your life and, after your death, your spouse (to whom you were

married to on your Benefit Commencement Date) will receive monthly benefits for the rest of his/her life, equal to 50 percent of the monthly payments you receive during your life. You may alternatively choose to receive a Joint & Survivor Annuity at 25 percent, 66 2/3 percent, 75 percent, or 100 percent (see "Joint & Survivor Annuity" under the "Optional Forms of Benefit" section). However, you will need to obtain spousal consent to receive your pension benefit in a form less than a 50 percent Joint & Survivor Annuity, have someone other than your spouse as your beneficiary, or choose to receive a Lump Sum distribution (see the "Special Rule for Married Participants" section).

## OPTIONAL FORMS OF BENEFIT

The Plan offers several different optional forms in which you can receive your benefit.

### ***Single-life Annuity***

A Single-life Annuity is based on the Normal Retirement Pension formula, and pays a monthly amount to you for the rest of your life following your retirement. 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: 25 percent, 50 percent,

66⅔ percent, 75 percent, or 100 percent. You will need to obtain spousal consent to elect the 25 percent option even if your spouse is your joint annuitant (see the “*Special Rule for Married Participants*” section).

- 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, the 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.

### ***Joint & Survivor Pop-Up Annuity***

The Joint & Survivor Pop-Up Annuity is available only if you are married and your spouse is your joint annuitant. This option allows you to receive a Joint & Survivor Annuity (as described above), with the added feature that, if your spouse dies after you begin to receive your pension payments but before you die, your monthly payments will “pop up” to the amount that you would have received if you had originally selected a Single-life Annuity.

- The amount of your monthly payment (and that of your joint annuitant) will be less under this option than under the standard Joint & Survivor Annuity option.
- The “pop-up” feature will not take effect until you notify the Glatfelter Pension Service Center of your spouse’s death, in writing. If you notify the Glatfelter Pension Service Center within one year after your spouse’s death, the “pop-up” will be effective for the first payment due after your spouse’s death. After the one-year notification period, the “pop-up” will take effect only for monthly payments after notification is received.
- The Joint & Survivor Pop-Up Annuity is not available in the 66⅔ percent form.
- If you are married, you will need your spouse’s consent to elect this form of benefit (see the “*Special Rule for Married Participants*” section).

### ***Certain & Life Annuity***

The Certain & Life Annuity allows you to receive a Single-life Annuity (as described above), with the added feature that payments will be guaranteed for a certain number of years (the “guaranteed period”).

- If you live beyond the guaranteed period, this option will operate like a Single-life Annuity and payments will end in the month in which your death occurs. However, if you die before the

end of the guaranteed period, payments will continue to your designated beneficiary until the guaranteed period expires.

- You may elect a guaranteed period of five, 10, 15, or 20 years (but not exceeding the combined life expectancy of you and your beneficiary).
- The amount of your monthly payment will be less under this option than under the standard Single-life Annuity option. In general, the longer the guaranteed period that you select, the smaller your monthly payments will be.
- When you elect the Certain & Life Annuity, you will be asked to designate a beneficiary. You may also designate one or more contingent beneficiaries, who will receive the remaining payments if your beneficiary dies before the end of the guaranteed period.
- If you are married, you will need your spouse's consent to elect this form of benefit (see the "Special Rule for Married Participants" section).

### ***Single-life Annuity with Cash Balance***

The Single-life Annuity with Cash Balance option offers the opportunity to receive a Single-life Annuity without the risk of forfeiting the actuarial value of your Plan benefit in the event you should die at a young age.

- If you select this option, a "cash balance" will be determined actuarially, equal to the present value of your accrued Normal Retirement Benefit as of your Benefit Commencement Date.
- You will receive a payment each month, which will generally be less than the monthly payments under a standard Single-life Annuity.
- Each month, the starting balance of your "cash balance" account will be reduced by the amount of that month's payment. If you die before your account balance

has been reduced to zero, a beneficiary designated by you will receive the remaining amount as a Lump Sum, less the required withholding. (You may select one or more contingent beneficiaries.)

- If you are married, you will need your spouse's consent to elect this form of benefit (see the "Special Rule for Married Participants" section).

### ***Social Security Level Income***

The Social Security Level Income option is available if you retire before you begin to receive Social Security retirement benefits.

- This option allows you to receive a temporarily larger pension benefit from the Plan until your Social Security payments are scheduled to begin (at age 62, 65, or your Social Security retirement age, as selected by you).
- When you reach your selected age, your payments under the Social Security Level Income option will be reduced by the amount of your projected Social Security benefit.
- The result will be approximately level payments (when your Plan benefits and Social Security benefits are combined) from the time you begin to receive payments from the Plan, for the rest of your life.
- Under this option, the calculation of your monthly payment is based on the Social Security law in effect on your Benefit Commencement Date and is not adjusted due to any change in the law thereafter.
- The Social Security Level Income option operates like a Single-Life Annuity, in that payments will end the month of your death, with no survivor benefit. However, because payments from the Plan are scheduled to be reduced before your death, the initial payments that you receive from the Plan will be greater than what you would otherwise

receive under the Single-life Annuity option.

- If you are married, you will need your spouse's consent to elect this form of benefit (see the *"Special Rule for Married Participants"* section).

The Social Security Level Income option is available only if your accrued benefit under the Plan is large enough for your benefit from the Plan to be greater than zero when Social Security payments begin. For more information about the Social Security Level Income option, contact the Glatfelter Pension Service Center.

### ***Increasing Annuity***

The Increasing Annuity option is like a Single-life Annuity, except that your monthly payment increases by 3 percent every 13 months.

- The amount of your first monthly payment will be determined based on actuarial assumptions and will be less than the monthly payments that you would otherwise receive under the Single-life Annuity option.
- If you are married, you will need your spouse's consent to elect this form of benefit (see the *"Special Rule for Married Participants"* section).

### ***Lump Sum***

The Lump Sum option offers a single payment of the present value of your Normal Retirement benefit. If you elect a Lump Sum payment, that payment will be made instead of any pension benefit under the Plan and in complete discharge of the Plan's obligation to you.

The present value is calculated based on actuarial assumptions. Using mortality data, the expected term of your pension payments is determined. Then, based on an assumed interest rate, the expected stream of future payments is converted to a single sum value.

The mortality and interest assumptions used to determine a Lump Sum benefit are based on the applicable mortality table and interest rate described in Code Section 417(e) of the Internal Revenue Code, which changes from time to time.

If you are married, you will need your spouse's consent to elect this form of benefit (see the *"Special Rule for Married Participants"* section).

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

### ***Automatic Cash-out***

If the present 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 benefit will be automatically distributed to you or your beneficiary (if applicable) as a one-time Lump Sum payment.

If your Automatic Cash-out is greater than \$1,000 and you do not make a decision to receive it or roll it over, it will be automatically rolled over to an IRA designated by the Plan Administrator.

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

### ***Rolling Over a Lump Sum Distribution***

If you receive your benefit as a Lump Sum or Automatic Cash-out, you may roll over your distribution to another eligible retirement plan or IRA. 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 the information on the tax-implications involved.

As defined by the Internal Revenue Code, eligible retirement plans that you may roll your distribution 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.

## HOW TO ELECT A FORM OF BENEFIT

Your election for your form of benefit (including obtaining spousal consent, if applicable) must be made within 180 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 with your spouse as your beneficiary. 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, remarry, or provide a qualified domestic relations order.

Once you have started to receive pension payments, you cannot change your election, unless otherwise provided under the terms of a lawful qualified domestic relations order.

## DESIGNATING A BENEFICIARY

When you elect the form in which you would like to receive your pension, you will be asked to designate a beneficiary who will receive payments (if any) that continue after your death. You can change your beneficiary designation at any time (subject to the “Special Rule for Married Participants”).

- You may also designate contingent beneficiary(ies), who would receive any remaining payments if your primary beneficiary dies before payments are complete.
- In the event that your beneficiary and contingent beneficiaries (if any) are no longer living and there are payments remaining, the remaining balance will be distributed in a lump sum to your surviving spouse, if living, or to the executor or administrator of your will.

## 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 50 percent or more Joint & Survivor Annuity with your spouse as a beneficiary, unless you obtain consent from your spouse.

Your spouse’s consent must be in writing, 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 180-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 pre-retirement surviving spouse's benefit if you die before your Benefit Commencement Date (see the "Pre-retirement Spouse's Benefit" section).

**Note:** Spousal consent is effective only to the spouse who consents. Thus, if you obtain spousal consent and your spouse subsequently dies or you divorce, you would need a new spousal consent if you remarry.

## Disability

### AFFECT ON YOUR PENSION

If you become Disabled while actively working as an eligible employee and have at least one Vesting Year, you may begin to receive your pension immediately, regardless of your age.

#### *Definition of Disability*

For purposes of this Plan, your Disability must be caused by a demonstrable injury or disease that renders you permanently, continuously and wholly prevented from performing for profit any work which you are reasonably qualified by your education, training or experience.

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;
- 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).

### CALCULATING YOUR DISABILITY RETIREMENT PENSION

Your Disability Retirement Pension will be calculated using the Normal Retirement Pension formula, based on your Benefit Years and the Benefit Rate in effect when you separate from service due to your Disability, adjusted as follows:

- If you have earned at least 10 Benefit Years, your Disability Retirement Pension will not be reduced because of its early commencement. In addition, your minimum Disability Retirement Pension will be \$250 per month.
- If you have less than 10 Benefit Years, your Disability Retirement Pension will be reduced to reflect its early commencement as follows:
  - If you are represented by USW Local No. 988, the reduction is 5/12th of one percent for each month by which the Benefit Commencement Date of your Disability Retirement Pension precedes your Normal Retirement Date.
  - Otherwise, the reduction is made in accordance with the same reduction factors that apply to the Early Retirement Pension for each of the first 120 months in which your Benefit Commencement Date precedes your Normal Retirement Date and by 0.5 percent for each additional month that your Benefit Commencement Date precedes your Normal Retirement Date.

In general, the Disability Retirement Pension is intended to be paid until you recover from your disability. If you have begun to receive benefit payments and do not recover by the time you attain age 65,

your Disability Retirement Pension will continue for the rest of your life.

## RECEIVING YOUR DISABILITY RETIREMENT PENSION

You may begin to receive a Disability Retirement Pension on the first day of the month coincident with or next following the date you are approved for Disability.

## FORM OF YOUR DISABILITY RETIREMENT PENSION

Most of the optional payment methods do not apply to Disability Pensions.

- If you are not married on your Benefit Commencement Date, your Disability Retirement Pension will be paid as a Single-life Annuity.
- If you are married on your Benefit Commencement Date, you will receive a 50 percent Joint & Survivor Annuity (or 75 percent Joint & Survivor Annuity, if you choose) with your spouse as your surviving beneficiary. You may, however, waive the Joint and Survivor Annuity, with your spouse's consent, and choose a Single-life Annuity.

## REQUEST FOR EXAMINATIONS

Your Disability must be accepted by the Plan Administrator. 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 at reasonable intervals by medical examination by a physician appointed for that purpose by the Plan Administrator. Your failure to cooperate in this regard may be grounds for the Plan Administrator to determine that you are not, or no longer Disabled. Also, your engagement in gainful employment inconsistent with the Plan's definition of Disability will be grounds for the Plan Administrator to determine that you are no longer disabled.

# Transfers and Re-employment

## IF YOU TRANSFER

If you transfer to a location or position that makes you ineligible for this Ohio Plan:

- You will cease to earn Benefit Years under the Ohio Plan and your benefit under this Plan will be frozen at the Benefit Rate in effect as of the date of your transfer.
- You will become a participant in the retirement plan available with respect to the employment group of which you are a member.
- The amount of your pension in the Ohio Plan will never be less than the amount you accrued and vested before you transfer.
- You may have different distribution options with respect to the two pieces of your total retirement benefit.
- Generally, if you move to another union within Glatfelter, your benefit will be the greater of:
  - The benefit you accrued at the first location or position (applying the benefit formula or multiplier at your first location to your Benefit Years from the first location) plus the benefit you accrue at the second location or position (applying the benefit formula or multiplier at your second location to your Benefit Years while working at the second location); or
  - A benefit calculated by applying your total Benefit Years at both locations to the applicable formula or multiplier at the second location.

For more information on how a particular transfer may affect your retirement benefit,

contact the Glatfelter Pension Service Center at 866-828-5322.

## **IF YOU ARE REHIRED**

If you stop working for Glatfelter and later return, the Plan has specific rules for determining your eligibility and cumulative Benefit Years and Vesting Years. In addition, you may be entitled to Benefit Years and/or Vesting Years for all or part of your absence.

### ***Eligibility***

If you leave employment with Glatfelter and later return, you will be eligible to participate in the applicable retirement plan available to your employee group.

### ***Suspension of Benefits***

If you begin to receive monthly pension payments and you later return to work for 80 or more hours a month, your monthly pension will normally be stopped as of the date you are rehired. You will be notified if your pension will be stopped. If you have returned to work as an eligible Ohio Operations employee, you will continue earning Benefit Years for your service following your return to Glatfelter. When you leave Glatfelter again, your pension will be recalculated based on your total Benefit Years. Your benefit will then be adjusted actuarially to offset the value of the payments that you already received. Your pension will start again no later than the first day of the third calendar month after you retire or leave the Company again.

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

If you stop working for Glatfelter and later return, the Plan has specific rules for determining your cumulative Benefit Years and Vesting Years. Generally, if you leave the Company before your account is vested, the length of your break in service will

determine whether the service you earned before leaving will be restored following your return.

- If you leave the Company and return to work within 12 months, you will not lose credit for your prior Benefit Years and Vesting Years. You will also receive vesting credit for the time you weren't working for Glatfelter.
- Generally speaking, if you return to work for Glatfelter after 12 months but within five years from the date you left, your previous Benefit Years and Vesting Years will be restored. You will, however, receive no credit for the time you were away.
- If you return to work for Glatfelter more than five years after you left, you will lose any Benefit Years and Vesting Years earned before leaving.

You may continue to earn Benefit Years and Vesting Years for certain periods you are absent and not working for Glatfelter, in the following circumstances:

- periods of layoff or furlough with recall rights (subject to the applicable collective bargaining agreement),
- if you are on a leave of absence authorized by the Company or while you are on an unpaid absence under the Family and Medical Leave Act (provided you return to employment with Glatfelter),
- if you are absent but receiving workers' compensation payments; or
- qualifying military service, if you return to work for the Company within 90 days after your discharge.

Generally speaking, except in the case of qualifying military service, no more than one year of service will be credited with respect to a period of absence.

# Pre-retirement Spouse's Benefit

## IF YOU DIE BEFORE YOU BEGIN RECEIVING BENEFIT PAYMENTS

### *If You Are Not Married*

If you are not married on the date of your death, and you have not begun to receive benefit payments, no death benefit will be payable under the Plan.

### *If You Are Married*

If you are married on the date of your death, and you have earned a vested pension under the Plan but you have not begun to receive benefit payments, your spouse will receive the Plan's Pre-retirement Spouse's Benefit, payable monthly for the rest of your spouse's life (even if your spouse remarries). The monthly amount of the Pre-retirement Spouse's Benefit will be calculated as follows:

- If you die on or after your 55th birthday, your spouse's monthly payment will be the amount that your spouse would have received if you had:
  - terminated employment on the date of your death (or on your actual termination date, if earlier); and
  - immediately begun to receive a 75 percent Joint & Survivor Annuity, with your spouse as your joint annuitant.
- If you die before attaining age 55, your spouse's monthly payment will be the amount that your spouse would have received if you had:
  - terminated employment on the date of your death (or on your actual termination date, if earlier);
  - lived to age 55 and begun to receive (at age 55) a 50 percent Joint &

Survivor Annuity, with your spouse as your joint annuitant; and

- died on the following day.

The Pre-retirement Spouse's Benefit must be paid as an annuity (with the last payment on the first day of the month of your spouse's death), unless the present value of the Pre-retirement Spouse's Benefit is \$5,000 or less, in which case it will be paid as a Lump Sum.

Payment of the Pre-retirement Spouse's Benefit will begin as follows:

- If you die on or after your 55th birthday, payment will be scheduled to commence on the first day of the month following your death.
- If you die before age 55, payment will be scheduled to commence on the first day of the month following the date on which you would have attained age 55.
- Your spouse may elect to delay commencement of the Pre-retirement Spouse's Benefit, as long as payments begin by the first day of the month in which you would have attained age 65 (or the first day of the month next following your death, if later). If your spouse elects to delay commencement of the Pre-retirement Spouse's Benefit, the amount of the pension will be adjusted actuarially to reflect the fact that payments are commencing on a later date.

## IF YOU DIE AFTER YOU BEGIN RECEIVING BENEFIT PAYMENTS

Once you begin to receive benefits under the Plan, any death benefit 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, there will be no further payments after your death. However, if you elect a Joint & Survivor Annuity, your joint annuitant will continue to receive payments after your death for the rest of his or her life.

# Understanding Taxes

The Plan offers you a tax advantage by deferring taxes on the value of your Plan benefit as it accumulates. When you or your beneficiary receives a distribution from the Plan, payments will be taxed in the year it is received. You may defer taxes by rolling over a Lump Sum to another eligible retirement plan or IRA. Keep in mind that you are postponing, not avoiding, paying taxes.

**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.

## 20 PERCENT MANDATORY FEDERAL WITHHOLDING TAX ON LUMP SUM PAYMENTS

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 (only for amounts \$10,000 or less) directly to an IRA or another employer's eligible IRA or retirement plan that accepts rollovers.

**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.

# 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. Your election, including any spousal consent required if you are married, must be made in the 180-day period before your Benefit Commencement Date. Return the completed application and all related documentation before the end of the election period to help ensure prompt payment.

If you die before retirement or termination of employment, your spouse 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.

If your appeal is denied, the appeal decision will include the specific reasons and the Plan provisions on which the decision is based, an explanation of your right to make a second appeal to the Plan Administrator (see “*Level 2 Appeal*” below), and a statement that you have a right to bring a

civil suit under Section 502(a) of ERISA if your Level 2 appeal is also denied.

**Level 2 Appeal** – If your Level 1 appeal is 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. You will be advised that you have a right to bring a civil action under Section 502(a) of ERISA.

### ***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 (a “Disability Denial”), 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; and
- 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.
- 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.

## 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.

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 Hourly  
Employees

This Plan is classified as a "defined benefit" retirement plan. The Summary Plan Description (SPD) describes the pension benefit as it applies to union hourly employees in the Company's Ohio Operations as of April 1, 2006. A separate SPD describes the Glatfelter Retirement Plan for Hourly Employees as it applies to other employment groups.

### ***Plan Sponsor***

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

### ***Plan Number***

021

### ***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 or 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 the Company 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>.

# Appendix A – Benefit Rate

<b><i>USW Local 731 and 988</i></b>	
<b>If Your Employment Terminates</b>	<b>Your Benefit Rate Is</b>
On or after April 1, 2006, but before July 31, 2006	\$39.50
On or after July 31, 2006	\$42.50

<b><i>OPEIU Local 422</i></b>	
<b>If Your Employment Terminates</b>	<b>Your Benefit Rate Is</b>
On or after April 1, 2006, but before January 1, 2007	\$39.50
On or after January 1, 2007	\$42.50