UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2019

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

GLATFELTER

96 South George Street, Suite 520
York, Pennsylvania 17401
(Address of principal executive offices)

(717) 850-0170
(Registrant's telephone number, including area code)

Commission file number	Exact name of registrant as specified in its charter	IRS Employer Identification No.	State or other jurisdiction of incorporation or organization
1-03560	**P. H. Glatfelter Company**	**23-0628360**	**Pennsylvania**

N/A
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	**GLT**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a small reporting company or emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒.

Common Stock outstanding on July 24, 2019 totaled 44,171,151 shares.

P. H. GLATFELTER COMPANY AND SUBSIDIARIES
REPORT ON FORM 10-Q
For the QUARTERLY PERIOD ENDED

June 30, 2019

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PART I

Item 1 – Financial Statements

P. H. GLATFELTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

In thousands, except per share	Three months ended June 30		Six months ended June 30	
	2019	2018	**2019**	2018
Net sales	**$ 235,053**	$ 215,742	**$ 464,186**	$ 426,949
Costs of products sold	**197,553**	182,443	**391,069**	357,090
Gross profit	**37,500**	33,299	**73,117**	69,859
Selling, general and administrative expenses	**22,800**	26,185	**47,422**	56,116
Gains on dispositions of plant, equipment and timberlands, net	**(423)**	(574)	**(1,092)**	(1,690)
Operating income	**15,123**	7,688	**26,787**	15,433
Non-operating income (expense)				
Interest expense	**(1,865)**	(3,822)	**(6,611)**	(7,272)
Interest income	**241**	26	**746**	80
Other, net	**(1,551)**	(799)	**(2,513)**	(1,122)
Total non-operating expense	**(3,175)**	(4,595)	**(8,378)**	(8,314)
Income from continuing operations before income taxes	**11,948**	3,093	**18,409**	7,119
Income tax provision	**5,655**	1,813	**7,513**	3,575
Income from continuing operations	**6,293**	1,280	**10,896**	3,544
Discontinued operations:				
Income (loss) before income taxes	**(485)**	(18,517)	**229**	(14,058)
Income tax provision (benefit)	**(23)**	(9,838)	**8**	(8,831)
Income (loss) from discontinued operations	**(462)**	(8,679)	**221**	(5,227)
Net income (loss)	**$ 5,831**	$ (7,399)	**$ 11,117**	$ (1,683)
Basic earnings per share				
Income from continuing operations	**$ 0.14**	$ 0.03	**$ 0.25**	$ 0.08
Income (loss) from discontinued operations	**(0.01)**	(0.20)	**0.01**	(0.12)
Basic earnings (loss) per share	**$ 0.13**	$ (0.17)	**$ 0.26**	$ (0.04)
Diluted earnings (loss) per share				
Income from continuing operations	**$ 0.14**	$ 0.03	**$ 0.25**	$ 0.08
Income (loss) from discontinued operations	**(0.01)**	(0.20)	**—**	(0.12)
Diluted earnings (loss) per share	**$ 0.13**	$ (0.17)	**$ 0.25**	$ (0.04)
Cash dividends declared per common share	**$ 0.13**	$ 0.13	**$ 0.26**	$ 0.26
Weighted average shares outstanding				
Basic	**44,140**	43,770	**44,084**	43,735
Diluted	**44,382**	44,487	**44,351**	44,531

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

P. H. GLATFELTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

In thousands	Three months ended June 30 **2019**	Three months ended June 30 2018	Six months ended June 30 **2019**	Six months ended June 30 2018
Net income (loss)	**$ 5,831**	$ (7,399)	**$ 11,117**	$ (1,683)
Foreign currency translation adjustments	**1,426**	(33,223)	**(3,379)**	(20,476)
Net change in:				
Deferred gains on cash flow hedges, net of taxes of $78, $(1,719), $(756) and $(1,136), respectively	**21**	4,549	**2,243**	2,747
Unrecognized retirement obligations, net of taxes of $(1,241), $(965), $(1,386) and $(1,942), respectively	**4,352**	3,021	**4,840**	6,096
Other comprehensive income (loss)	**5,799**	(25,653)	**3,704**	(11,633)
Comprehensive income (loss)	**$ 11,630**	$ (33,052)	**$ 14,821**	$ (13,316)

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

P. H. GLATFELTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

In thousands		June 30 2019		December 31 2018
Assets				
Cash and cash equivalents	**$**	**58,945**	$	142,685
Accounts receivable, net		**136,548**		119,772
Inventories		**192,123**		173,411
Prepaid expenses and other current assets		**42,758**		33,418
Total current assets		**430,374**		469,286
Plant, equipment and timberlands, net		**541,856**		556,044
Goodwill		**153,158**		153,463
Intangible assets, net		**88,882**		93,614
Other assets		**81,720**		67,347
Total assets	**$**	**1,295,990**	$	1,339,754
Liabilities and Shareholders' Equity				
Current portion of long-term debt	**$**	**23,238**	$	10,785
Accounts payable		**115,241**		120,701
Dividends payable		**5,742**		5,719
Environmental liabilities		**6,867**		23,000
Other current liabilities		**74,059**		72,597
Total current liabilities		**225,147**		232,802
Long-term debt		**361,792**		400,962
Deferred income taxes		**78,968**		78,651
Other long-term liabilities		**86,964**		88,441
Total liabilities		**752,871**		800,856
Commitments and contingencies		**—**		—
Shareholders’ equity				
Common stock		**544**		544
Capital in excess of par value		**59,920**		62,239
Retained earnings		**769,940**		770,305
Accumulated other comprehensive loss		**(133,736)**		(137,440)
		696,668		695,648
Less cost of common stock in treasury		**(153,549)**		(156,750)
Total shareholders’ equity		**543,119**		538,898
Total liabilities and shareholders’ equity	**$**	**1,295,990**	$	1,339,754

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

P. H. GLATFELTER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

In thousands	Six months ended June 30 2019	2018
Operating activities		
Net income (loss)	**$ 11,117**	$ (1,683)
(Income) loss from discontinued operations, net of taxes	**(221)**	5,227
Adjustments to reconcile to net cash used by continuing operations:		
Depreciation, depletion and amortization	**25,520**	23,195
Amortization of debt issue costs and original issue discount	**1,380**	580
Deferred income tax benefit	**(143)**	(3,437)
Gains on dispositions of plant, equipment and timberlands, net	**(1,092)**	(1,690)
Share-based compensation	**1,638**	3,505
Change in operating assets and liabilities		
Accounts receivable	**(17,004)**	(14,791)
Inventories	**(19,513)**	(29,040)
Prepaid and other current assets	**(6,593)**	(760)
Accounts payable	**(3,465)**	1,824
Accruals and other current liabilities	**(12,258)**	(6,471)
Other	**1,349**	(332)
Net cash used by operating activities from continuing operations	**(19,285)**	(23,873)
Investing activities		
Expenditures for purchases of plant, equipment and timberlands	**(10,633)**	(25,937)
Proceeds from disposals of plant, equipment and timberlands, net	**1,116**	1,804
Acquisition, net of cash acquired	**(1,974)**	—
Other	**(90)**	(68)
Net cash used by investing activities from continuing operations	**(11,581)**	(24,201)
Financing activities		
Net (repayments) borrowings under revolving credit facility	**(19,294)**	46,660
Repayment of 5.375% Notes	**(250,000)**	—
Proceeds from term loans	**248,644**	—
Payments of borrowing costs	**(2,170)**	—
Repayment of term loans	**(5,326)**	(5,647)
Payments of dividends	**(11,452)**	(11,368)
Payments related to share-based compensation awards and other	**(755)**	(980)
Net cash provided (used) by financing activities from continuing operations	**(40,353)**	28,665
Effect of exchange rate changes on cash	**(291)**	(3,230)
Net decrease in cash and cash equivalents	**(71,510)**	(22,639)
Change in cash and cash equivalents from discontinued operations	**(12,230)**	13,609
Cash and cash equivalents at the beginning of period	**142,685**	116,219
Cash and cash equivalents at the end of period	**$ 58,945**	$ 107,189
Supplemental cash flow information		
Cash paid for:		
Interest, net of amounts capitalized	**$ 7,742**	$ 6,935
Income taxes, net	**7,157**	6,804

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

P. H. GLATFELTER COMPANY AND SUBSIDIARIES
STATEMENTS OF SHAREHOLDERS' EQUITY
(unaudited)

In thousands	Common stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity
Balance at April 1, 2019	**$ 544**	**$ 60,565**	**$ 769,857**	**$ (139,535)**	**$ (155,243)**	**$ 536,188**
Net income			**5,831**			**5,831**
Other comprehensive income				**5,799**		**5,799**
Comprehensive income						**11,630**
Cash dividends declared ($0.13 per share)			**(5,748)**			**(5,748)**
Share-based compensation expense		**1,161**				**1,161**
Delivery of treasury shares						
RSUs and PSAs		**(1,429)**			**1,427**	**(2)**
Employee stock options exercised — net		**(377)**			**267**	**(110)**
Balance at June 30, 2019	**$ 544**	**$ 59,920**	**$ 769,940**	**$ (133,736)**	**$ (153,549)**	**$ 543,119**
Balance at April 1, 2018	$ 544	$ 62,359	$ 970,736	$ (148,953)	$ (160,694)	$ 723,992
Net loss			(7,399)			(7,399)
Other comprehensive loss				(25,653)		(25,653)
Comprehensive loss						(33,052)
Cash dividends declared ($0.13 per share)			(5,694)			(5,694)
Share-based compensation expense		1,722				1,722
Delivery of treasury shares						
RSUs and PSAs		(1,216)			1,215	(1)
Employee stock options exercised — net		(38)			23	(15)
Balance at June 30, 2018	$ 544	$ 62,827	$ 957,643	$ (174,606)	$ (159,456)	$ 686,952
Balance at January 1, 2019	**$ 544**	**$ 62,239**	**$ 770,305**	**$ (137,440)**	**$ (156,750)**	**$ 538,898**
Net income			**11,117**			**11,117**
Other comprehensive income				**3,704**		**3,704**
Comprehensive income						**14,821**
Cash dividends declared ($0.26 per share)			**(11,482)**			**(11,482)**
Share-based compensation expense		**1,638**				**1,638**
Delivery of treasury shares						
RSUs and PSAs		**(2,421)**			**2,097**	**(324)**
Employee stock options exercised — net		**(1,536)**			**1,104**	**(432)**
Balance at June 30, 2019	**$ 544**	**$ 59,920**	**$ 769,940**	**$ (133,736)**	**$ (153,549)**	**$ 543,119**
Balance at January 1, 2018	$ 544	$ 62,594	$ 948,411	$ (140,675)	$ (161,946)	$ 708,928
Reclassification pursuant to ASU No. 2018-02			22,298	(22,298)		—
Net loss			(1,683)			(1,683)
Other comprehensive loss				(11,633)		(11,633)
Comprehensive loss						(13,316)
Cash dividends declared ($0.26 per share)			(11,383)			(11,383)
Share-based compensation expense		3,704				3,704
Delivery of treasury shares						
RSUs and PSAs		(2,376)			1,900	(476)
Employee stock options exercised — net		(1,095)			590	(505)
Balance at June 30, 2018	$ 544	$ 62,827	$ 957,643	$ (174,606)	$ (159,456)	$ 686,952

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

1. ORGANIZATION

P. H. Glatfelter Company and subsidiaries is a leading global supplier of high-quality, innovative and customizable solutions found in tea and single-serve coffee filtration, personal hygiene and packaging products, as well as home improvement and industrial applications. We are headquartered in York, Pennsylvania, and operate facilities in the United States, Canada, Germany, France, the United Kingdom and the Philippines. We have sales and distribution offices in the U.S., Europe, Russia and China and our products are marketed worldwide, either directly to customers or through brokers and agents. The terms "we," "us," "our," "the Company," or "Glatfelter," refer to P. H. Glatfelter Company and subsidiaries unless the context indicates otherwise.

2. ACCOUNTING POLICIES

Basis of Presentation The unaudited condensed consolidated financial statements ("financial statements") include the accounts of Glatfelter and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated.

We prepared these financial statements in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles" or "GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission pertaining to interim financial statements. In our opinion, the financial statements reflect all normal, recurring adjustments needed to present fairly our results for the interim periods. When preparing these financial statements, we have assumed you have read the audited consolidated financial statements included in our 2018 Annual Report on Form 10-K.

Discontinued Operations The results of operations for our Specialty Papers Business Unit have been classified as discontinued operations for all periods presented in the condensed consolidated statements of income.

Accounting Estimates The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies as of the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management believes the estimates and assumptions used in the preparation of these financial statements are reasonable, based upon currently available facts and known circumstances, but recognizes actual results may differ from those estimates and assumptions.

Recently Issued Accounting Pronouncements In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 842"). This ASU requires organizations to recognize on its balance sheet the assets and liabilities for the rights and obligations created by leases. We adopted ASU 842 as of January 1, 2019 and elected to follow a modified retrospective method which permitted us to adopt the standard without restating previously reported periods. As a result of adopting ASU 842, we recorded a right of use asset and corresponding lease obligation of approximately $14.1 million. Refer to Note 14 "Leases" for additional information.

In August 2017, the FASB issued ASU No. 2017-12, *"Derivatives and Hedging (Topic 815), Targeted Improvements to Accounting for Hedging Activities"* ("ASU No. 2017-12"), which simplifies the application of hedge accounting and more closely aligns hedge accounting with an entity's risk management strategies. ASU No. 2017-12 also amends the manner in which hedge effectiveness may be performed and changes the presentation of hedge ineffectiveness in the financial statements. We adopted ASU No. 2017-12 effective January 1, 2019 but it had an insignificant effect on our results of operations and financial position.

In June 2016, the FASB issued ASU No. 2016-13 "*Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments"* that changes the impairment model for most financial instruments, including trade receivables from an incurred loss method to a new forward-looking approach, based on expected losses. Under the new guidance, an allowance is recognized based on an estimate of expected credit losses. This standard is effective for us in the first quarter of 2020 and must be adopted using a modified retrospective approach. We are currently assessing the impact this standard may have on our results of operations and financial position.

3. ACQUISITION

On October 1, 2018, we completed our acquisition of Georgia-Pacific's European nonwovens business (the "GP Business") for $186 million including a working capital adjustment and post-closing purchase price adjustments of $2.0 million.

The acquisition consisted of Georgia-Pacific's operations located in Steinfurt, Germany, along with sales offices located in France and Italy. The Steinfurt facility produces high-quality airlaid products for the table-top, wipes, hygiene, food pad, and other nonwoven materials markets, competing in the marketplace with nonwoven technologies and substrates, as well as other materials focused primarily on consumer based end-use applications. The facility is a state-of-the-art, 32,000-metric-ton-capacity manufacturing facility that employs approximately 220 people. Steinfurt's results were reported prospectively from the acquisition date as part of our Advanced Airlaid Materials business unit.

We financed the transaction through a combination of cash on hand and borrowings under our revolving credit facility.

The preliminary allocation set forth in the following table is based on all information available to us at the present time and is subject to change. In the event new information, primarily related to the finalization of the values of certain intangible assets, becomes available, the measurement of the amounts of goodwill reflected may be affected. The preliminary allocation of the purchase price to assets acquired and liabilities assumed is as follows:

In thousands		**Preliminary Allocation**
Assets		
Cash and cash equivalents	**$**	**7,540**
Accounts receivable		**13,277**
Inventory		**11,133**
Prepaid and other current assets		**290**
Plant, equipment and timberlands		**66,167**
Intangible assets		**43,573**
Goodwill		**75,349**
Total assets		**217,329**
Liabilities		
Accounts payable		**8,577**
Deferred tax liabilities		**19,119**
Other long term liabilities		**1,162**
Total liabilities		**28,858**
Total		**188,471**
less cash acquired		**(7,540)**
Total purchase price	**$**	**180,931**

For purposes of allocating the total purchase price, assets acquired and liabilities assumed are recorded at their estimated fair market value. The allocation set forth above is based on management's estimate of the fair value using valuation techniques such as discounted cash flow models, appraisals and similar methodologies. The amount allocated to intangible assets represents the estimated value of customer relationships, technological know-how and trade name.

In connection with the Steinfurt acquisition we recorded $75.3 million of goodwill and $43.6 million of intangible assets. The goodwill arising from the acquisition largely relates to strategic benefits, product and market diversification, assembled workforce, and similar factors. For tax purposes, none of the goodwill is deductible. Intangible assets consist of technology, customer relationships and tradename.

The following table summarizes unaudited pro forma financial information for the indicated periods of 2018 as if the acquisition occurred as of January 1, 2018:

In thousands, except per share	Three months ended June 30	Six months ended June 30
	(unaudited)	
Pro forma		
Net sales	$ 239,663	$ 476,948
Income from continuing operations	1,326	5,177
Income per share from continuing operations	0.03	0.12

4. REVENUE

The following tables set forth disaggregated information pertaining to our net sales:

In thousands	**Three months ended June 30** **2019**	2018	**Six months ended June 30** **2019**	2018
Composite Fibers				
Food & beverage	**$ 70,390**	$ 70,186	**$ 141,843**	$ 140,583
Wallcovering	**22,958**	27,789	**41,508**	55,921
Technical specialties	**19,266**	21,609	**38,554**	42,567
Composite laminates	**9,218**	8,960	**17,693**	18,358
Metallized	**10,749**	14,390	**21,700**	27,102
	132,581	142,934	**261,298**	284,531
Advanced Airlaid Materials				
Feminine hygiene	**51,851**	46,937	**106,839**	95,410
Specialty wipes	**17,656**	10,495	**34,988**	18,262
Table top	**16,347**	2,179	**29,678**	4,244
Adult incontinence	**6,365**	5,190	**11,853**	9,622
Home care	**4,352**	3,875	**8,316**	7,902
Other	**5,901**	4,132	**11,214**	6,978
	102,472	72,808	**202,888**	142,418
TOTAL	**$ 235,053**	$ 215,742	**$ 464,186**	$ 426,949

In thousands	**Three months ended June 30** **2019**	2018	**Six months ended June 30** **2019**	2018
Composite Fibers				
Europe, Middle East and Africa	**$ 80,002**	$ 91,790	**$ 157,916**	$ 186,572
Americas	**33,964**	28,992	**65,604**	53,040
Asia Pacific	**18,615**	22,152	**37,778**	44,919
	132,581	142,934	**261,298**	284,531
Advanced Airlaid Materials				
Europe, Middle East and Africa	**55,206**	35,905	**109,645**	72,133
Americas	**45,261**	36,310	**89,595**	69,128
Asia Pacific	**2,005**	593	**3,648**	1,157
	102,472	72,808	**202,888**	142,418
TOTAL	**$ 235,053**	$ 215,742	**$ 464,186**	$ 426,949

5. DISCONTINUED OPERATIONS

On October 31, 2018, we completed the previously announced sale of our Specialty Papers Business Unit on a cash free and debt free basis to Pixelle Specialty Solutions LLC, an affiliate of Lindsay Goldberg (the "Purchaser") for $360 million. Cash proceeds from the sale were approximately $323 million in cash reflecting estimated purchase price adjustments as of the closing date and the assumption by the Purchaser of approximately $38 million in retiree healthcare liabilities. In addition, the Purchaser assumed approximately $210 million of pension liabilities relating to Specialty Papers' employees and will receive approximately $280 million of related assets from the Company's existing pension plan.

In connection with the sale of Specialty Papers, we entered into a Transition Services Agreement with Purchaser pursuant to which we agreed to provide various back-office and information technology support until the business is fully separated from us.

The following table sets forth a summary of discontinued operations included in the condensed consolidated statements of income:

In thousands	Three months ended June 30 **2019**	Three months ended June 30 2018	Six months ended June 30 **2019**	Six months ended June 30 2018
Net sales	$ —	$ 190,031	$ —	$ 389,469
Energy and related sales, net	—	944	—	2,373
Total revenues	—	190,975	—	391,842
Costs of products sold	—	202,671	—	391,192
Gross profit (loss)	—	(11,696)	—	650
Selling, general and administrative expenses	**485**	5,376	**(229)**	12,508
Gains on dispositions of plant, equipment and timberlands, net	—	(5)	—	(443)
Operating income (loss)	**(485)**	(17,067)	**229**	(11,415)
Non-operating income (expense)				
Interest expense	—	(1,991)	—	(3,736)
Other, net	—	541	—	1,093
Income (loss) before income taxes	**(485)**	(18,517)	**229**	(14,058)
Income tax (provision) benefit	**23**	(9,838)	**(8)**	(8,831)
Income (loss) from discontinued operations	$ **(462)**	$ (8,679)	$ **221**	$ (5,227)

The amounts presented above are derived from the segment reporting for Specialty Papers adjusted to include certain retirement benefit costs and to exclude corporate shared services costs which are required to remain in continuing operations. Interest expense was allocated to discontinued operations based on borrowings under the revolving credit facility required to be repaid with proceeds from the sale of Specialty Papers.

The following table sets forth a summary of cash flows from discontinued operations which is included in the condensed consolidated statements of cash flows:

In thousands	Six months ended June 30 **2019**	Six months ended June 30 2018
Net cash provided (used) by operating activities	$ **(10,658)**	$ 23,911
Net cash used by investing activities	**(1,572)**	(10,427)
Net cash provided by financing activities	—	125
Change in cash and cash equivalents from discontinued operations	$ **(12,230)**	$ 13,609

6. GAINS ON DISPOSITION OF PLANT, EQUIPMENT AND TIMBERLANDS

During the first six months of 2019 and 2018 we completed the following sales of timberlands and other assets included in continuing operations:

Dollars in thousands	Acres	Proceeds	Gain
2019			
Timberlands	**361**	**$ 902**	**$ 881**
Other	**n/a**	**214**	**211**
Total		**$ 1,116**	**$ 1,092**
2018			
Timberlands	1,029	$ 1,785	$ 1,680
Other	n/a	19	10
Total		$ 1,804	$ 1,690

7. EARNINGS PER SHARE

The following table sets forth the details of basic and diluted earnings per share ("EPS") from continuing operations:

	Three months ended June 30	
In thousands, except per share	**2019**	2018
Income from continuing operations	**$ 6,293**	$ 1,280
Weighted average common shares outstanding used in basic EPS	**44,140**	43,770
Effect of dilutive SOSARs, PSAs and RSUs	**242**	717
Weighted average common shares outstanding and common share equivalents used in diluted EPS	**44,382**	44,487
Earnings per share from continuing operations		
Basic	**$ 0.14**	$ 0.03
Diluted	**0.14**	0.03

	Six months ended June 30	
In thousands, except per share	**2019**	2018
Income from continuing operations	**$ 10,896**	$ 3,544
Weighted average common shares outstanding used in basic EPS	**44,084**	43,735
Effect of dilutive SOSARs, PSAs and RSUs	**267**	796
Weighted average common shares outstanding and common share equivalents used in diluted EPS	**44,351**	44,531
Earnings per share from continuing operations		
Basic	**$ 0.25**	$ 0.08
Diluted	**0.25**	0.08

The numerator used to compute income per share from discontinued operations was $(0.462) million and $(8.679) million for the second quarter of 2019 and 2018, respectively, and $0.221 million and $(5.227) million for the first six months of 2019 and 2018, respectively. The denominator used to compute per share amounts of loss from discontinued operations is the same as the denominator used for per share amounts of income from continuing operations.

The following table sets forth potential common shares outstanding that were not included in the computation of diluted EPS for the periods indicated, because their effect would be anti-dilutive:

	June 30	
In thousands	**2019**	2018
Three months ended	**1,233**	2,393
Six months ended	**1,233**	2,393

8. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table sets forth details of the changes in accumulated other comprehensive income (losses) for the three months and six months ended June 30, 2019 and 2018.

In thousands	Currency translation adjustments	Unrealized gain (loss) on cash flow hedges	Change in pensions	Change in other postretirement defined benefit plans	Total
Balance at April 1, 2019	**$ (74,427)**	**$ 4,421**	**$ (70,810)**	**$ 1,281**	**$ (139,535)**
Other comprehensive income before reclassifications (net of tax)	**1,426**	**1,040**	**4,926**	**—**	**7,392**
Amounts reclassified from accumulated other comprehensive income (net of tax)	**—**	**(1,019)**	**(441)**	**(133)**	**(1,593)**
Net current period other comprehensive income (loss)	**1,426**	**21**	**4,485**	**(133)**	**5,799**
Balance at June 30, 2019	**$ (73,001)**	**$ 4,442**	**$ (66,325)**	**$ 1,148**	**$ (133,736)**
Balance at April 1, 2018	$ (29,092)	$ (5,894)	$ (118,428)	$ 4,461	$ (148,953)
Other comprehensive income (loss) before reclassifications (net of tax)	(33,223)	3,368	—	—	(29,855)
Amounts reclassified from accumulated other comprehensive income (net of tax)	—	1,181	3,261	(240)	4,202
Net current period other comprehensive income (loss)	(33,223)	4,549	3,261	(240)	(25,653)
Balance at June 30, 2018	$ (62,315)	$ (1,345)	$ (115,167)	$ 4,221	$ (174,606)

In thousands	Currency translation adjustments	Unrealized gain (loss) on cash flow hedges	Change in pensions	Change in other postretirement defined benefit plans	Total
Balance at January 1, 2019	**$ (69,622)**	**$ 2,199**	**$ (71,431)**	**$ 1,414**	**$ (137,440)**
Other comprehensive income (loss) before reclassifications (net of tax)	**(3,379)**	**3,681**	**4,926**	**—**	**5,228**
Amounts reclassified from accumulated other comprehensive income (net of tax)	**—**	**(1,438)**	**180**	**(266)**	**(1,524)**
Net current period other comprehensive income (loss)	**(3,379)**	**2,243**	**5,106**	**(266)**	**3,704**
Balance at June 30, 2019	**$ (73,001)**	**$ 4,442**	**$ (66,325)**	**$ 1,148**	**$ (133,736)**
Balance at January 1, 2018	$ (41,839)	$ (4,092)	$ (98,295)	$ 3,551	$ (140,675)
Amount reclassified for adoption of ASU No. 2018-02			(23,297)	999	$ (22,298)
Balance as adjusted at January 1, 2018	(41,839)	(4,092)	(121,592)	4,550	(162,973)
Other comprehensive income (loss) before reclassifications (net of tax)	(20,476)	151	—	—	(20,325)
Amounts reclassified from accumulated other comprehensive income (net of tax)	—	2,596	6,425	(329)	8,692
Net current period other comprehensive income (loss)	(20,476)	2,747	6,425	(329)	(11,633)
Balance at June 30, 2018	$ (62,315)	$ (1,345)	$ (115,167)	$ 4,221	$ (174,606)

Reclassifications out of accumulated other comprehensive income and into the condensed consolidated statements of income were as follows:

In thousands	Three months ended June 30		Six months ended June 30		
	2019	2018	**2019**	2018	
Description					**Line Item in Statements of Income**
Cash flow hedges (Note 17)					
(Gains) losses on cash flow hedges	**$ (1,411)**	$ 1,636	**$ (1,996)**	$ 3,595	Costs of products sold
Tax expense (benefit)	**392**	(455)	**558**	(999)	Income tax provision
Net of tax	**(1,019)**	1,181	**(1,438)**	2,596	
Retirement plan obligations (Note 11)					
Amortization of deferred benefit pension plans					
Prior service costs	**54**	4	**88**	11	Other, net
Actuarial losses	**789**	2,060	**1,564**	4,119	Other, net
Discontinued operations amortization of defined benefit pension plans	**—**	2,240	**—**	4,344	Discontinued operations
	843	4,304	**1,652**	8,474	
Tax benefit	**(1,284)**	(1,043)	**(1,472)**	(2,049)	Income tax provision
Net of tax	**(441)**	3,261	**180**	6,425	
Amortization of deferred benefit other plans					
Prior service costs	**(3)**	—	**(5)**	—	Other, net
Actuarial gains	**(173)**	(17)	**(346)**	(33)	Other, net
Discontinued operations amortization of defined benefit other plans	**—**	(301)	**—**	(403)	Discontinued operations
	(176)	(318)	**(351)**	(436)	
Tax expense	**43**	78	**85**	107	Income tax provision
Net of tax	**(133)**	(240)	**(266)**	(329)	
Total reclassifications, net of tax	**$ (1,593)**	$ 4,202	**$ (1,524)**	$ 8,692	

9. INCOME TAXES

Income taxes are recognized for the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. The effects of income taxes are measured based on enacted tax laws and rates.

We elect to account for the tax associated with the Global Intangible Low-Taxed Income (GILTI) provision of the 2017 Tax Cuts and Jobs Act in the period in which it is incurred. The GILTI provisions require entities to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary’s tangible assets.

For the six months ended June 30, 2019, our effective tax rate increased by approximately 8% as a result of the GILTI provisions due to our U.S. federal tax loss carryforward position which limits our ability to recognize the associated foreign tax credits and a deduction of up to 50% of the GILTI income. Due to our U.S. federal tax loss carryforward position, there is no impact to cash taxes related to the GILTI provisions.

For the six months ended June 30, 2019, we recorded an additional valuation allowance of $1.6 million against our net deferred tax assets primarily due to uncertainty regarding our ability to utilize federal net operating losses and credit carryforwards. In assessing the need for a valuation allowance, we consider all available positive and negative evidence in our analysis. Based on this analysis, we recorded a valuation allowance for the portion of deferred tax assets where the weight of the evidence indicated it is more likely than not that the deferred tax assets will not be realized.

As of June 30, 2019 and December 31, 2018, we had $30.6 million and $29.6 million, respectively, of gross unrecognized tax benefits. As of June 30, 2019, if such benefits were to be recognized, approximately $20.4 million would be recorded as a component of income tax expense, thereby affecting our effective tax rate.

We, or one of our subsidiaries, file income tax returns with the United States Internal Revenue Service, as well as various state and foreign authorities.

The following table summarizes, by major jurisdiction, tax years that remain subject to examination:

	Open Tax Years	
Jurisdiction	Examinations not yet initiated	Examination in progress
United States		
Federal	2015 - 2018	N/A
State	2014 - 2018	2015 - 2017
Canada[1]	2011-2013; 2018	2014 - 2017
Germany[1]	2016 - 2018	2012 - 2015
France	2018	N/A
United Kingdom	2017 - 2018	N/A
Philippines	2018	2016 - 2017

(1) includes provincial or similar local jurisdictions, as applicable

The amount of income taxes we pay is subject to ongoing audits by federal, state and foreign tax authorities, which often result in proposed assessments. Management performs a comprehensive review of its global tax positions on a quarterly basis and accrues amounts for uncertain tax positions. Based on these reviews and the result of discussions and resolutions of matters with certain tax authorities and the closure of tax years subject to tax audit, reserves are adjusted as necessary. However, future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are determined or resolved or as such statutes are closed. Due to potential for resolution of federal, state and foreign examinations, and the lapse of various statutes of limitation, it is reasonably possible our gross unrecognized tax benefits balance may decrease within the next twelve months by a range of zero to $6.2 million. Substantially all this range relates to tax positions taken in Germany and the U.S.

We recognize interest and penalties related to uncertain tax positions as income tax expense. The following table summarizes information included in continuing operations related to interest and penalties on uncertain tax positions:

	Six months ended June 30	
In millions	**2019**	2018
Interest expense (income)	**$ 0.2**	$ 0.1
Penalties	**—**	—

	June 30 2019	December 31 2018
Accrued interest payable	**$ 1.3**	$ 1.1

10. STOCK-BASED COMPENSATION

The P. H. Glatfelter Amended and Restated Long Term Incentive Plan (the "LTIP") provides for the issuance of Glatfelter common stock to eligible participants in the form of restricted stock units, restricted stock awards, non-qualified stock options, performance shares, incentive stock options and performance units.

Pursuant to terms of the LTIP, we have issued to eligible participants restricted stock units, performance share awards and stock only stock appreciation rights.

Restricted Stock Units ("RSU") and Performance Share Awards ("PSAs") Awards of RSUs and PSAs are made under our LTIP. The RSUs vest on the passage of time, generally on a graded scale over a three, four, and five-year period, or in certain instances the RSUs were issued with five-year cliff vesting. PSAs are issued to participants and vesting is based on achievement of cumulative financial performance targets covering a two-year period followed by an additional one-year service period. In addition, beginning in 2018, PSA awards include a modifier based on our three-year total shareholder return ("TSR") relative to the TSR of the S&P SmallCap 600 Index. The performance measures include a minimum, target and maximum performance level providing the grantees an opportunity to receive more or less shares than targeted depending on actual financial performance. In addition, the number of shares earned may be further increased or decreased based on our TSR relative to the S&P SmallCap 600 Index.

For RSUs, the grant date fair value of the awards, which is equal to the closing price per common share on the date of the award, is used to determine the amount of expense to be recognized over the applicable service period. For PSAs, the grant date fair value is estimated using a lattice model. The significant inputs include the stock price, volatility, dividend yield, and risk-free rate of return. Settlement of RSUs and PSAs will be made in shares of our common stock currently held in treasury.

The following table summarizes RSU and PSA activity during periods indicated:

Units	**2019**	2018
Balance at January 1,	**756,786**	929,386
Granted	**449,054**	389,065
Forfeited	**(127,603)**	(70,891)
Shares delivered	**(163,078)**	(150,020)
Balance at June 30,	**915,159**	1,097,540

The amount granted in 2019 and 2018 includes 218,422 and 183,355, respectively, of PSAs exclusive of reinvested dividends.

The following table sets forth aggregate RSU and PSA compensation expense included in continuing operations for the periods indicated:

	June 30	
In thousands	**2019**	2018
Three months ended	**$ 1,161**	$ 1,596
Six months ended	**1,595**	3,261

Stock Only Stock Appreciation Rights ("SOSARs") Under terms of the SOSAR, a recipient receives the right to a payment in the form of shares of common stock equal to the difference, if any, in the fair market value of one share of common stock at the time of exercising the SOSAR and the exercise price. The SOSARs vest ratably over a three year period and have a term of ten years. No SOSARs were awarded since 2016.

The following table sets forth information related to outstanding SOSARS:

	2019		2018	
SOSARS	Shares	Wtd Avg Exercise Price	Shares	Wtd Avg Exercise Price
Outstanding at January 1,	**2,334,742**	**$ 18.08**	2,561,846	$ 17.87
Granted	**—**	**—**	—	—
Exercised	**(441,920)**	**14.31**	(148,145)	13.26
Canceled / forfeited	**(446,435)**	**21.06**	(20,994)	18.76
Outstanding at June 30,	**1,446,387**	**$ 19.31**	2,392,707	$ 18.15

The following table sets forth SOSAR compensation expense included in continuing operations for the periods indicated:

	June 30	
In thousands	**2019**	2018
Three months ended	**$ —**	$ 64
Six months ended	**43**	244

11. RETIREMENT PLANS AND OTHER POST-RETIREMENT BENEFITS

The following tables provide information with respect to the net periodic costs of our pension and post-retirement medical benefit plans included in continuing operations.

In thousands	Three months ended June 30 2019	Three months ended June 30 2018
Pension Benefits		
Service cost	**$ 373**	$ 595
Interest cost	**3,337**	3,241
Expected return on plan assets	**(3,699)**	(5,530)
Amortization of prior service cost	**54**	4
Amortization of unrecognized loss	**789**	2,060
Total net periodic benefit cost	**$ 854**	$ 370
Other Benefits		
Service cost	**$ 9**	$ 15
Interest cost	**84**	79
Amortization of prior service credit	**(3)**	—
Amortization of actuarial gain	**(173)**	(17)
Total net periodic benefit cost	**$ (83)**	$ 77

In thousands	Six months ended June 30 2019	Six months ended June 30 2018
Pension Benefits		
Service cost	**$ 857**	$ 1,189
Interest cost	**6,787**	6,482
Expected return on plan assets	**(7,395)**	(11,061)
Amortization of prior service cost	**88**	11
Amortization of unrecognized loss	**1,564**	4,119
Total net periodic benefit cost	**$ 1,901**	$ 740
Other Benefits		
Service cost	**$ 18**	$ 30
Interest cost	**168**	159
Amortization of prior service credit	**(5)**	—
Amortization of actuarial gain	**(346)**	(33)
Total net periodic benefit cost	**$ (165)**	$ 156

In April 2019, we informed participants that our qualified pension plan benefits would be frozen as of May 31, 2019 and the plan was terminated June 30, 2019. We replaced this benefit for active employees with an enhanced defined contribution plan. In connection with the termination, we remeasured the pension liability and recognized a gain of $1.9 million in the second quarter of 2019 as an adjustment to other comprehensive income (loss).

12. INVENTORIES

Inventories, net of reserves, were as follows:

In thousands	**June 30 2019**	December 31 2018
Raw materials	**$ 53,708**	$ 50,205
In-process and finished	**99,880**	84,894
Supplies	**38,535**	38,312
Total	**$ 192,123**	$ 173,411

13. CAPITALIZED INTEREST

The following table sets forth details of interest incurred, capitalized and expensed included in continuing operations:

	Three months ended June 30		Six months ended June 30	
In thousands	**2019**	2018	**2019**	2018
Interest cost incurred	**$ 1,865**	$ 3,822	**$ 6,611**	$ 7,668
Interest capitalized	**—**	—	**—**	396
Interest expense	**$ 1,865**	$ 3,822	**$ 6,611**	$ 7,272

Capitalized interest relates to spending for the Airlaid capacity expansion project.

14. LEASES

We enter into a variety of arrangements in which we are the lessee for the use of automobiles, forklifts and other production equipment, production facilities, warehouses and office space. We determine if an arrangement contains a lease at inception. All our lease arrangements are operating leases and are recorded in the condensed consolidated balance sheet under the caption "Other assets" and "Other long-term liabilities." We currently do not have any finance leases.

Operating lease right of use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. ROU assets also include any initial direct costs incurred and any lease payments made at or before the lease commencement date, less lease incentives received. We use our incremental borrowing rate based on information available at the commencement date in determining the lease liabilities as our leases generally do not provide an implicit rate. Lease terms may include options to extend or terminate when we are reasonably certain that the option will be exercised. Lease expense is recognized on a straight-line basis over the lease term.

We also have arrangements with both lease and non-lease components. The Company elected the practical expedient not to separate non-lease components from lease components for the Company's real estate and automobile leases. We elected to apply the short-term lease measurement and recognition exemption in which ROU assets and lease liabilities are not recognized for arrangements less than twelve months in duration.

At June 30, 2019, the ROU assets and corresponding lease obligation included in our condensed consolidated balance sheet totaled $12.6 million and had a weighted average remaining maturity of 37 months. The weighted average discount rate used to value the leases at inception was 3.01%. We recognized $3.0 million of operating lease expense during the first six months of 2019.

The following table sets forth required minimum lease payments for the periods indicated:

In thousands	**June 30 2019**	December 31 2018
2019	**$ 2,761**	$ 5,020
2020	**4,579**	3,861
2021	**3,066**	2,515
2022	**1,605**	1,426
2023	**577**	584
Thereafter	**339**	383

15. LONG-TERM DEBT

Long-term debt is summarized as follows:

In thousands	June 30 2019	December 31 2018
Revolving credit facility, due Mar. 2020	$ —	$ 114,495
Revolving credit facility, due Feb. 2024	**94,454**	—
5.375% Notes, due Oct. 2020	—	250,000
Term loan, due Feb. 2024	**250,360**	—
2.40% Term Loan, due Jun. 2022	**4,877**	5,725
2.05% Term Loan, due Mar. 2023	**22,778**	25,972
1.30% Term Loan, due Jun. 2023	**6,503**	7,361
1.55% Term Loan, due Sep. 2025	**8,715**	9,470
Total long-term debt	**387,687**	413,023
Less current portion	**(23,238)**	(10,785)
Unamortized deferred issuance costs	**(2,657)**	(1,276)
Long-term debt, net of current portion	**$ 361,792**	$ 400,962

On February 8, 2019, we entered into an amended and restated $400 million Revolving Credit Facility and a €220 million Term Loan with a consortium of banks (together, the "Credit Agreement"). The proceeds of the Term Loan due Feb. 2024 were used to redeem in its entirety the 5.375% Notes. The principal amount of the Term Loan amortizes in consecutive quarterly installments of principal, with each such quarterly installment to be in an amount equal to 1.25% of the Term Loan funded, commencing on July 1, 2019 and continuing quarterly thereafter. The €220 million Term Loan is designated as a net investment hedge of our Euro functional currency foreign subsidiaries. During the first six months of 2019, we recognized a pre-tax loss of $1.7 million from changes in currency exchange rates through Other Comprehensive Income (Loss).

For all US dollar denominated borrowings under the Revolving Credit Facility, the borrowing rate is, at our option, either, (a) the bank's base rate which is equal to the greater of i) the prime rate; ii) the federal funds rate plus 50 basis points; or iii) the daily Euro-rate plus 100 basis points plus an applicable spread over either i), ii) or iii) ranging from 12.5 basis points to 100 basis points based on the Company's leverage ratio and its corporate credit ratings determined by Standard & Poor's Rating Services and Moody's Investor Service, Inc. (the "Corporate Credit Rating"); or (b) the daily Euro-rate plus an applicable margin ranging from 112.5 basis points to 200 basis points based on the Company's leverage ratio and the Corporate Credit Rating. For non-US dollar denominated borrowings, interest is based on (b) above.

The Credit Agreement contains a number of customary covenants for financings of this type that, among other things, restrict our ability to dispose of or create liens on assets, incur additional indebtedness, repay other indebtedness, limits certain intercompany financing arrangements, make acquisitions and engage in mergers or consolidations. We are also required to comply with specified financial tests and ratios including: i) maximum net debt to EBITDA ratio (the "leverage ratio"); and ii) a consolidated EBITDA to interest expense ratio. The most restrictive of our covenants is a maximum leverage ratio of 4.0x provided that such ratio increases to 4.5x during the period of four fiscal quarters immediately following a material acquisition such as Steinfurt. As of June 30, 2019, the leverage ratio, as calculated in accordance with the definition in our Credit Agreement, was 3.5x. A breach of these requirements would give rise to certain remedies under the Revolving Credit Facility, among which are the termination of the agreement and accelerated repayment of the outstanding borrowings plus accrued and unpaid interest under the Credit Agreement.

All remaining principal outstanding and accrued interest under the Credit Agreement will be due and payable on February 8, 2024.

Glatfelter Gernsbach GmbH & Co. KG ("Gernsbach"), a wholly-owned subsidiary of ours, entered into a series of borrowing agreements with IKB Deutsche Industriebank AG, Düsseldorf ("IKB") as summarized below:

Amounts in thousands		Original Principal	Interest Rate	Maturity
Borrowing date				
Apr. 11, 2013	€	42,700	2.05%	Mar. 2023
Sep. 4, 2014		10,000	2.40%	Jun. 2022
Oct. 10, 2015		2,608	1.55%	Sep. 2025
Apr. 26, 2016		10,000	1.30%	Jun. 2023
May 4, 2016		7,195	1.55%	Sep. 2025

Each of the borrowings require quarterly repayments of principal and interest and provide for representations, warranties and covenants customary for financings of these types. The financial covenants contained in each of the IKB loans, which relate to the minimum ratio of consolidated EBITDA to consolidated interest expense and the maximum ratio of consolidated total net debt to consolidated adjusted EBITDA, are calculated by reference to our Credit Agreement.

P. H. Glatfelter Company guarantees all debt obligations of its subsidiaries. All such obligations are recorded in these condensed consolidated financial statements.

Letters of credit issued to us by certain financial institutions totaled $5.2 million as of June 30, 2019 and December 31, 2018. The letters of credit, which reduce amounts available under our Revolving Credit Facility, primarily provide financial assurances for the benefit of certain state workers compensation insurance agencies in conjunction with our self-insurance program. We bear the credit risk on this amount to the extent that we do not comply with the provisions of certain agreements. No amounts are outstanding under the letters of credit.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The amounts reported on the condensed consolidated balance sheets for cash and cash equivalents, accounts receivable and accounts payable approximate fair value. The following table sets forth carrying value and fair value of long-term debt:

	June 30, 2019		December 31, 2018	
In thousands	Carrying Value	Fair Value	Carrying Value	Fair Value
Variable rate debt	**$ 94,454**	**$ 94,454**	$ 114,495	$ 114,495
Fixed-rate bonds	**—**	**—**	250,000	249,010
Term loan, due Feb. 2024	**250,360**	**250,360**	—	—
2.40% Term loan	**4,877**	**4,976**	5,725	5,836
2.05% Term loan	**22,778**	**23,190**	25,972	26,346
1.30% Term Loan	**6,503**	**6,526**	7,361	7,341
1.55% Term loan	**8,715**	**8,812**	9,470	9,453
Total	**$ 387,687**	**$ 388,318**	$ 413,023	$ 412,481

The values set forth above are based on observable inputs and other relevant market data (Level 2). The fair value of financial derivatives is set forth below in Note 17.

17. FINANCIAL DERIVATIVES AND HEDGING ACTIVITIES

As part of our overall risk management practices, we enter into financial derivatives primarily designed to either i) hedge foreign currency risks associated with forecasted transactions ("cash flow hedges"); or ii) mitigate the impact that changes in currency exchange rates have on intercompany financing transactions and foreign currency denominated receivables and payables ("foreign currency hedges").

Derivatives Designated as Hedging Instruments - Cash Flow Hedges We use currency forward contracts as cash flow hedges to manage our exposure to fluctuations in the currency exchange rates on certain forecasted production costs or capital expenditures expected to be incurred. Currency forward contracts involve fixing the exchange for delivery of a specified amount of foreign currency on a specified date. As of June 30, 2019, the maturity of currency forward contracts ranged from one month to 18 months.

We designate certain currency forward contracts as cash flow hedges of forecasted raw material purchases, certain production costs or capital expenditures with exposure to changes in foreign currency exchange rates. The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges of foreign exchange risk is deferred as a component of accumulated other comprehensive income in the accompanying condensed consolidated balance sheets. With respect to hedges of forecasted raw material purchases or production costs, the amount deferred is subsequently reclassified into costs of products sold in the period that inventory produced using the hedged transaction affects earnings. For hedged capital expenditures, deferred gains or losses are reclassified and included in the historical cost of the capital asset and subsequently affect earnings as depreciation is recognized.

We had the following outstanding derivatives that were used to hedge foreign exchange risks associated with forecasted transactions and designated as hedging instruments:

In thousands	**June 30, 2019**	December 31, 2018
Derivative		
Sell/Buy - sell notional		
Philippine Peso / British Pound	—	13,140
Philippine Peso / Euro	**18,312**	16,446
Euro / British Pound	**16,987**	15,250
U.S. Dollar / Euro	**6,619**	88
Canadian Dollar / U.S. Dollar	**3,030**	—
Sell/Buy - buy notional		
Euro / Philippine Peso	**936,919**	1,069,006
British Pound / Philippine Peso	**1,076,319**	980,137
Euro / U.S. Dollar	**93,495**	76,417
U.S. Dollar / Canadian Dollar	**37,563**	35,154
British Pound / Euro	—	216

Derivatives Not Designated as Hedging Instruments - Foreign Currency Hedges We also entered into forward foreign exchange contracts to mitigate the impact changes in currency exchange rates have on balance sheet monetary assets and liabilities. None of these contracts are designated as hedges for financial accounting purposes and, accordingly, changes in value of the foreign exchange forward contracts and in the offsetting underlying on-balance-sheet transactions are reflected in the accompanying condensed consolidated statements of income under the caption “Other, net.”

The following sets forth derivatives used to mitigate the impact changes in currency exchange rates have on balance sheet monetary assets and liabilities:

In thousands	**June 30, 2019**	December 31, 2018
Derivative		
Sell/Buy - sell notional		
U.S. Dollar / British Pound	**24,000**	25,500
British Pound / Euro	**3,000**	2,000
Sell/Buy - buy notional		
Euro / U.S. Dollar	**15,000**	11,000
British Pound / Euro	**9,000**	8,000

These contracts have maturities of one month from the date originally entered into.

Fair Value Measurements The following table summarizes the fair values of derivative instruments for the period indicated and the line items in the accompanying condensed consolidated balance sheets where the instruments are recorded:

In thousands	**June 30 2019**	December 31 2018	**June 30 2019**	December 31 2018
Balance sheet caption	Prepaid Expenses and Other Current Assets		Other Current Liabilities	
Designated as hedging:				
Forward foreign currency exchange contracts	**$ 4,880**	$ 4,381	**$ 79**	$ 1,548
Not designated as hedging:				
Forward foreign currency exchange contracts	**$ 452**	$ 103	**$ 346**	$ 122

The amounts set forth in the table above represent the net asset or liability giving effect to rights of offset with each counterparty. The effect of netting the amounts presented above did not have a material effect on our consolidated financial position.

The following table summarizes the amount of income or (loss) from derivative instruments recognized in our results of operations for the periods indicated and the line items in the accompanying condensed consolidated statements of income where the results are recorded:

In thousands	**Three months ended June 30 2019**	2018	**Six months ended June 30 2019**	2018
Designated as hedging:				
Forward foreign currency exchange contracts:				
Effective portion – cost of products sold	**$ 1,460**	$ (1,636)	**$ 2,045**	$ (3,595)
Ineffective portion – other – net	**—**	110	**—**	(212)
Not designated as hedging:				
Forward foreign currency exchange contracts:				
Other – net	**$ (264)**	$ (898)	**$ 28**	$ (601)

The impact of activity not designated as hedging was substantially all offset by the remeasurement of the underlying on-balance-sheet item.

The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The fair values of the foreign exchange forward contracts are considered to be Level 2. Foreign currency forward contracts are valued using foreign currency forward and interest rate curves. The fair value of each contract is determined by comparing the contract rate to the forward rate and discounting to present value. Contracts in a gain position are recorded in the condensed consolidated balance sheets under the caption “Prepaid expenses and other current assets” and the value of contracts in a loss position is recorded under the caption “Other current liabilities.”

A rollforward of fair value amounts recorded as a component of accumulated other comprehensive income (loss), before taxes, is as follows:

In thousands	**2019**	2018
Balance at January 1,	**$ 3,004**	$ (5,640)
Deferred (losses) gains on cash flow hedges	**5,044**	288
Reclassified to earnings	**(2,045)**	3,595
Balance at June 30,	**$ 6,003**	$ (1,757)

We expect substantially all of the amounts recorded as a component of accumulated other comprehensive income will be recorded as a component of the capital asset or realized in results of operations within the next 12 to 18 months and the amount ultimately recognized will vary depending on actual market rates.

Credit risk related to derivative activity arises in the event the counterparty fails to meet its obligations to us. This exposure is generally limited to the amounts, if any, by which the counterparty's obligations exceed our obligation to them. Our policy is to enter into contracts only with financial institutions which meet certain minimum credit ratings.

18. COMMITMENTS, CONTINGENCIES AND LEGAL PROCEEDINGS

Fox River - Neenah, Wisconsin

Background. We previously reported we faced significant uncertainties associated with environmental claims arising out of the presence of polychlorinated biphenyls ("PCBs") in sediments in the lower Fox River, on which our former Neenah facility was located, and in the Bay of Green Bay Wisconsin (collectively, the "Site"). We have resolved these uncertainties as described below.

Since the early 1990s, the United States, the State of Wisconsin (collectively, the "Governments") and two Indian tribes have pursued the cleanup of a 39-mile stretch of river from Little Lake Butte des Morts into Green Bay and natural resource damages ("NRDs").

The United States Environmental Protection Agency ("EPA") has divided the Site into five "operable units", including the most upstream portion of the Site on which our facility was located ("OU1") and four downstream reaches of the river and bay ("OU2-5").

The United States originally notified several entities that they were potentially responsible parties ("PRPs"). We, with contributions of certain other PRPs, implemented the remedial action in OU1 under a consent decree with the Governments. That work is complete, other than on-going monitoring and maintenance.

For OU2-5, after giving effect to settlements reached with the Governments, the remaining PRPs exposed to continuing obligations to implement the remainder of the cleanup consisted of us, Georgia Pacific Consumer Products, L.P. ("Georgia Pacific") and NCR Corporation ("NCR"). The majority of the work in OU 2-5 has been funded or conducted by parties other than us. The cleanup is expected to continue at least through 2019, followed by decommissioning and post-remediation long-term monitoring and maintenance.

In 2017, the United States entered into a consent decree with the State of Wisconsin, NCR, and Appvion under which NCR agreed to complete the remaining cleanup and both NCR and Appvion agreed not to seek to recover from us or anyone else any amounts they have spent or would spend, and we and others would be barred from seeking claims against NCR or Appvion. Under the consent decree, the Governments agreed to seek long term monitoring and maintenance in OU2-5 from us and Georgia Pacific; as the result of earlier settlements, Georgia Pacific was only responsible for that work in the most downstream three miles of the river ("OU4b") and the bay of Green Bay ("OU5"). The Governments agreed to seek their past and future oversight costs only from us.

We and Georgia Pacific had claims against each other to reallocate the costs that we had each incurred or would incur. In 2017, we entered into a settlement agreement with Georgia Pacific to settle these claims. Georgia Pacific agreed to implement the monitoring and maintenance in OU4b and OU5 and we agreed to monitoring and maintenance of all other upstream operable units. We paid Georgia Pacific $9.5 million in August 2017 in connection with this settlement.

After years of extensive and complex litigation, in January 2019, we reached an agreement with the United States, the State of Wisconsin, and Georgia-Pacific to resolve all remaining claims among those parties. A consent decree ("Glatfelter consent decree") documenting that agreement was entered in the federal district court on March 14, 2019. Under the Glatfelter consent decree, we paid $20.5 million to settle the United States' and Wisconsin's claims for response costs incurred by them prior to October 2018 and for NRDs. We also agreed to reimburse the governments for future oversight costs incurred over the next 30 years. We anticipate that a significant portion of the oversight costs will be incurred in the next few years while the remediation is being completed. Once finished, costs will be an order of magnitude lower in most years during the period of long-term monitoring and maintenance. In addition to our previous agreement to be responsible for long-term monitoring and maintenance of OU-1, under this consent decree, we agreed to be primarily responsible for long-term monitoring and maintenance in OU2-OU4a.

Long term monitoring and maintenance will continue over a period of at least 30 years. The monitoring activities consist of, among others, testing fish tissue, sampling water quality and sediment, and inspections of the engineered caps. In the first quarter of 2018, we entered into a fixed-price, 30-year agreement with a third party for the performance of all of our monitoring and maintenance obligations in OU1 through OU4a with limited exceptions, such as, for extraordinary amounts of cap maintenance or replacement. Our obligation under this agreement is included in our total reserve for the Site. We are permitted to pay for this contract using the remaining balance of an escrow account established by us and WTM I Company under the OU1 consent decree during any period that the balance in that account exceeds the amount due under our fixed-price contract. The difference at present is approximately $2 million. We are also required to secure the payment of that difference with a renewal letter of credit or another instrument in the interim.

Reserves for the Site. Our reserve for past and future government oversight costs and long-term monitoring and maintenance is set forth below:

In thousands	Six months ended June 30 2019	2018
Balance at January 1,	**$ 45,001**	$ 43,144
Payments	**(20,641)**	(2,708)
Reserve adjustment	**(2,509)**	—
Assumption of WTM I escrow	**—**	4,746
Accretion	**98**	66
Balance at June 30,	**$ 21,949**	$ 45,248

Of our total reserve for the Fox River, $6.9 million is recorded in the accompanying June 30, 2019 condensed consolidated balance sheet under the caption "Environmental liabilities" and the remaining $15.0 million is recorded under the caption "Other long term liabilities." In connection with the court approval of our January 2019 consent decree, we reduced our reserve by $2.5 million and recorded the adjustment as a reduction in "Selling, general and administrative" expenses in the condensed consolidated statements of income.

19. SEGMENT INFORMATION

The following tables set forth financial and other information by business unit for the period indicated:

Three months ended June 30 *Dollars in millions*	Composite Fibers 2019	Composite Fibers 2018	Advanced Airlaid Materials 2019	Advanced Airlaid Materials 2018	Other and Unallocated 2019	Other and Unallocated 2018	Total 2019	Total 2018
Net sales	**$ 132.6**	$ 142.9	**$ 102.5**	$ 72.8	**$ —**	$ —	**$ 235.1**	$ 215.7
Cost of products sold	**109.6**	118.0	**87.8**	62.8	**0.2**	1.6	**197.6**	182.4
Gross profit (loss)	**23.0**	24.9	**14.7**	10.0	**(0.2)**	(1.6)	**37.5**	33.3
SG&A	**10.0**	11.7	**4.3**	2.4	**8.5**	12.1	**22.8**	26.2
Gains on dispositions of plant, equipment and timberlands, net	**—**	—	**—**	—	**(0.4)**	(0.6)	**(0.4)**	(0.6)
Total operating income (loss)	**13.0**	13.2	**10.4**	7.6	**(8.3)**	(13.1)	**15.1**	7.7
Non-operating expense	**—**	—	**—**	—	**(3.2)**	(4.6)	**(3.2)**	(4.6)
Income (loss) before income taxes	**$ 13.0**	$ 13.2	**$ 10.4**	$ 7.6	**$ (11.5)**	$ (17.7)	**$ 11.9**	$ 3.1
Supplementary Data								
Net tons sold (thousands)	**34.5**	36.7	**34.0**	24.5	**—**	—	**68.5**	61.2
Depreciation, depletion and amortization	**$ 6.6**	$ 7.2	**$ 5.3**	$ 3.5	**$ 0.8**	$ 1.2	**$ 12.7**	$ 11.9
Capital expenditures	**1.5**	2.8	**2.8**	2.5	**0.5**	0.6	**4.8**	5.9

Six months ended June 30 *Dollars in millions*	Composite Fibers		Advanced Airlaid Materials		Other and Unallocated		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
Net sales	**$ 261.3**	$ 284.5	**$ 202.9**	$ 142.4	**$ —**	$ —	**$ 464.2**	$ 426.9
Cost of products sold	**216.1**	232.7	**173.8**	122.5	**1.2**	1.9	**391.1**	357.1
Gross profit (loss)	**45.2**	51.8	**29.1**	19.9	**(1.2)**	(1.9)	**73.1**	69.9
SG&A	**20.8**	23.3	**8.7**	5.1	**17.9**	27.7	**47.4**	56.1
Gains on dispositions of plant, equipment and timberlands, net	**—**	—	**—**	—	**(1.1)**	(1.7)	**(1.1)**	(1.7)
Total operating income (loss)	**24.4**	28.5	**20.4**	14.8	**(18.0)**	(27.9)	**26.8**	15.4
Non-operating expense	**—**	—	**—**	—	**(8.4)**	(8.3)	**(8.4)**	(8.3)
Income (loss) before income taxes	**$ 24.4**	$ 28.5	**$ 20.4**	$ 14.8	**$ (26.4)**	$ (36.2)	**$ 18.4**	$ 7.1
Supplementary Data								
Net tons sold *(thousands)*	**66.1**	73.0	**67.2**	48.3	**—**	—	**133.3**	121.4
Depreciation, depletion and amortization	**$ 13.3**	$ 14.6	**$ 10.5**	$ 6.3	**$ 1.7**	$ 2.3	**$ 25.5**	$ 23.2
Capital expenditures	**4.7**	7.9	**5.0**	15.6	**0.9**	2.4	**10.6**	25.9

The sum of individual amounts set forth above may not agree to the condensed consolidated financial statements included herein due to rounding.

Business Units Results of individual business units are presented based on our management accounting practices and management structure. There is no comprehensive, authoritative body of guidance for management accounting equivalent to accounting principles generally accepted in the United States of America; therefore, the financial results of individual business units are not necessarily comparable with similar information for any other company. The management accounting process uses assumptions and allocations to measure performance of the business units. Methodologies are refined from time to time as management accounting practices are enhanced and businesses change. The costs incurred by support areas not directly aligned with the business unit are allocated primarily based on an estimated utilization of support area services or are included in “Other and Unallocated” in the table set forth above.

Management evaluates results of operations of the business units before certain corporate level costs and the effects of certain gains or losses not considered to be related to the core business operations. Management believes that this is a more meaningful representation of the operating performance of its core businesses, the profitability of business units and the extent of cash flow generated from these core operations. Such amounts are presented under the caption “Other and Unallocated.” In the evaluation of business unit results, management does not use any measures of total assets. This presentation is aligned with the management and operating structure of our company. It is also on this basis that the Company’s performance is evaluated internally and by the Company’s Board of Directors.

Specialty Papers’ results of operations are reported as discontinued operations. In addition, corporate shared services costs previously included in Specialty Papers’ results are required to be included in income from continuing operations and are reported as “other and unallocated”.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the information in the unaudited condensed consolidated financial statements and notes thereto included herein and Glatfelter's Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2018 Annual Report on Form 10-K.

Forward-Looking Statements This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact, including statements regarding industry prospects and future consolidated financial position or results of operations, made in this Report on Form 10-Q are forward looking. We use words such as “anticipates”, “believes”, “expects”, “future”, “intends” and similar expressions to identify forward-looking statements. Forward-looking statements reflect management's current expectations and are inherently uncertain. Our actual results may differ significantly from such expectations. The following discussion includes forward-looking statements all of which are inherently difficult to predict. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from our expectations. Accordingly, we identify the following important factors, among others, which could cause our results to differ from any results that might be projected, forecasted or estimated in any such forward-looking statements:

i. variations in demand for our products including the impact of unplanned market-related downtime, variations in product pricing, or product substitution;

ii. the impact of competition, changes in industry production capacity, including the construction of new mills or new machines, the closing of mills and incremental changes due to capital expenditures or productivity increases;

iii. risks associated with our international operations, including local economic and political environments and fluctuations in currency exchange rates;

iv. geopolitical matters, including any impact to our operations from events in Russia, Ukraine and Philippines;

v. our ability to develop new, high value-added products;

vi. changes in the price or availability of raw materials we use, particularly woodpulp, pulp substitutes, synthetic pulp, and abaca fiber;

vii. changes in energy-related prices and commodity raw materials with an energy component;

viii. the impact of unplanned production interruption at our facilities or at any of our key suppliers;

ix. disruptions in production and/or increased costs due to labor disputes;

x. the gain or loss of significant customers and/or on-going viability of such customers;

xi. the impact of war and terrorism;

xii. the impact of unfavorable outcomes of audits by various state, federal or international tax authorities or changes in pre-tax income and its impact on the valuation of deferred taxes;

xiii. enactment of adverse state, federal or foreign tax or other legislation or changes in government legislation, policy or regulation; and

xiv. our ability to finance, consummate and integrate acquisitions.

Introduction We manufacture a wide array of engineered materials. We manage our company along two business units:

- *Composite Fibers* with revenue from the sale of single-serve tea and coffee filtration papers, nonwoven wallcovering base materials, metallized products, composite laminate papers, and many technically special papers including substrates for electrical applications; and
- *Advanced Airlaid Materials* with revenue from the sale of airlaid nonwoven fabric-like materials used in feminine hygiene and adult incontinence products, specialty wipes, home care products and other airlaid applications.

Specialty Papers' results of operations and financial condition are reported as discontinued operations. Following is a discussion and analysis primarily of the financial results of operations and financial condition of our continuing operations.

RESULTS OF OPERATIONS

Six months ended June 30, 2019 versus the six months ended June 30, 2018

Overview For the first six months of 2019, we reported net income of $11.1 million, or $0.25 per share compared with a loss of $1.7 million and $0.04 per diluted share in the year earlier period.

On October 1, 2018, we acquired Georgia-Pacific's European nonwovens business based in Steinfurt, Germany ("Steinfurt"). The results of Steinfurt, whose annual revenue approximates $99 million, are included prospectively from the date of acquisition. In addition, we sold our Specialty Papers business unit on October 31, 2018. Accordingly, the financial results of the business unit are classified as discontinued operations for all periods presented.

The following table sets forth summarized consolidated results of operations:

	Six months ended June 30	
In thousands, except per share	**2019**	2018
Net sales	**$ 464,186**	$ 426,949
Gross profit	**73,117**	69,859
Operating income	**26,787**	15,433
Continuing operations		
Income	**10,896**	3,544
Earnings per share	**0.25**	0.08
Discontinued operations		
Income (loss)	**221**	(5,227)
Earnings (loss) per share	**—**	(0.12)
Net income (loss)	**11,117**	(1,683)
Earnings (loss) per share	**0.25**	(0.04)

In addition to the results reported in accordance with GAAP, we evaluate our performance using adjusted earnings and adjusted earnings per diluted share. We disclose this information to allow investors to evaluate our performance exclusive of certain items that impact the comparability of results from period to period and we believe it is helpful in understanding underlying operating trends and cash flow generation.

Adjusted earnings from continuing operations for the first six months of 2019 were $15.7 million, or $0.35 per diluted share compared with $7.9 million, or $0.18 per diluted share, for the same period a year ago. The improved results reflect i) growth in Advanced Airlaid Materials, as revenue and operating income each improved by approximately 40%; ii) lower corporate costs in connection with cost reduction initiatives; and iii) lower interest expense, net. Adjusted earnings consists of net income determined in accordance with GAAP adjusted to exclude the impact of the following:

Strategic initiatives. These adjustments primarily reflect professional and legal fees incurred directly related to evaluating and executing certain strategic initiatives including costs associated with acquisitions and related integration costs.

Airlaid capacity expansion costs. These adjustments reflect non-capitalized, one-time costs incurred related to the start-up of a new airlaid production facility in Fort Smith, Arkansas and implementation of a new business system.

Cost optimization actions. These adjustments reflect charges incurred in connection with initiatives to optimize the cost structure of the Company including costs related to the organizational change to a functional operating model. The costs are primarily related to executive separation, other headcount reduction efforts, professional fees, asset write-offs and certain contract termination costs. These adjustments, which have occurred at various times in the past, are irregular in timing and relate to specific identified programs to reduce or optimize the cost structure of a particular business unit or the corporate function.

Debt refinancing costs. Represents a charge to write-off unamortized debt issuance costs in connection with the redemption of the Company's $250 million, 5.375% Notes.

Fox River environmental matter. This adjustment excludes income related to a decrease in the Company's overall reserve for the Fox River matter primarily due to the resolution of the litigation in the first quarter of 2019.

Timberland sales and related costs. These adjustments exclude gains from the sales of timberlands as these items are not considered to be part of our core business, ongoing results of operations or cash flows. These adjustments are irregular in timing and amount and may significantly impact our operating results.

U.S. Tax Reform. These adjustments reflect amounts estimating the impact of the Tax Cuts and Jobs Act ("TCJA") which was signed into law on December 22, 2017.

Adjusted earnings and adjusted earnings per share are considered measures not calculated in accordance with GAAP, and therefore are non-GAAP measures. The non-GAAP financial information should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with GAAP. The following table sets forth the reconciliation of net income to adjusted earnings for the six months ended June 30, 2019 and 2018:

	Six months ended June 30			
	2019		2018	
In thousands, except per share	**Amount**	**EPS**	Amount	EPS
Net income	**$ 11,117**	**$ 0.25**	(1,683)	$ (0.04)
Exclude: Net income from discontinued operations	**(221)**	**—**	5,227	0.12
Income from continuing operations	**10,896**	**0.25**	3,544	0.08
Adjustments *(pre-tax)*				
Cost optimization actions	**5,907**		—	
Airlaid capacity expansion costs	**1,014**		4,705	
Debt refinancing	**992**		—	
Strategic initiatives	**249**		2,195	
Fox River environmental matter	**(2,509)**		—	
Timberland sales and related costs	**(881)**		(1,680)	
Total adjustments (pre-tax)	**4,772**		5,220	
Income taxes (1)	**67**		(813)	
U.S. Tax Reform	**—**		(8)	
Total after-tax adjustments	**4,839**	**0.11**	4,399	0.10
Adjusted earnings	**$ 15,735**	**$ 0.35**	$ 7,943	$ 0.18

(1) Tax effect on adjustments calculated based on the incremental effective tax rate of the jurisdiction in which each adjustment originated and the related $0.5 million increase in our valuation allowance related to the termination of our qualified pension plan.

The sum of individual per share amounts set forth above may not agree to adjusted earnings per share due to rounding.

Business Unit Performance

Six months ended June 30	Composite Fibers		Advanced Airlaid Materials		Other and Unallocated		Total	
Dollars in millions	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
Net sales	**$ 261.3**	$ 284.5	**$ 202.9**	$ 142.4	**$ —**	$ —	**$ 464.2**	$ 426.9
Cost of products sold	**216.1**	232.7	**173.8**	122.5	**1.2**	1.9	**391.1**	357.1
Gross profit (loss)	**45.2**	51.8	**29.1**	19.9	**(1.2)**	(1.9)	**73.1**	69.9
SG&A	**20.8**	23.3	**8.7**	5.1	**17.9**	27.7	**47.4**	56.1
Gains on dispositions of plant, equipment and timberlands, net	**—**	—	**—**	—	**(1.1)**	(1.7)	**(1.1)**	(1.7)
Total operating income (loss)	**24.4**	28.5	**20.4**	14.8	**(18.0)**	(27.9)	**26.8**	15.4
Non-operating expense	**—**	—	**—**	—	**(8.4)**	(8.3)	**(8.4)**	(8.3)
Income (loss) before income taxes	**$ 24.4**	$ 28.5	**$ 20.4**	$ 14.8	**$ (26.4)**	$ (36.2)	**$ 18.4**	$ 7.1
Supplementary Data								
Net tons sold *(thousands)*	**66.1**	73.0	**67.2**	48.3	**—**	—	**133.3**	121.4
Depreciation, depletion and amortization	**$ 13.3**	$ 14.6	**$ 10.5**	$ 6.3	**$ 1.7**	$ 2.3	**$ 25.5**	$ 23.2
Capital expenditures	**4.7**	7.9	**5.0**	15.6	**0.9**	2.4	**10.6**	25.9

The sum of individual amounts set forth above may not agree to the condensed consolidated financial statements included herein due to rounding.

Business Units Results of individual business units are presented based on our management accounting practices and management structure. There is no comprehensive, authoritative body of guidance for management accounting equivalent to accounting principles generally accepted in the United States of America; therefore, the financial results of individual business units are not necessarily comparable with similar information for any other company. The management accounting process uses assumptions and allocations to measure performance of the business units. Methodologies are refined from time to time as management accounting practices are enhanced and businesses change. The costs incurred by support areas not directly aligned with the business unit are allocated primarily based on an estimated utilization of support area services or are included in “Other and Unallocated” in the Business Unit Performance table.

Management evaluates results of operations of the business units before certain corporate level costs, and the effects of certain gains or losses not considered to be related to the core business operations. Management believes that this is a more meaningful representation of the operating performance of its core businesses, the profitability of business units and the extent of cash flow generated from these core operations. Such amounts are presented under the caption “Other and Unallocated.” In the evaluation of business unit results, management does not use any measures of total assets. This presentation is aligned with the management and operating structure of our company. It is also on this basis that the Company’s performance is evaluated internally and by the Company’s Board of Directors.

Sales and Costs of Products Sold

	Six months ended June 30		
In thousands	**2019**	2018	Change
Net sales	**$ 464,186**	$ 426,949	$ 37,237
Costs of products sold	**391,069**	357,090	33,979
Gross profit	**$ 73,117**	$ 69,859	$ 3,258
Gross profit as a percent of Net sales	**15.8%**	16.4%	

The following table sets forth the contribution to consolidated net sales by each business unit:

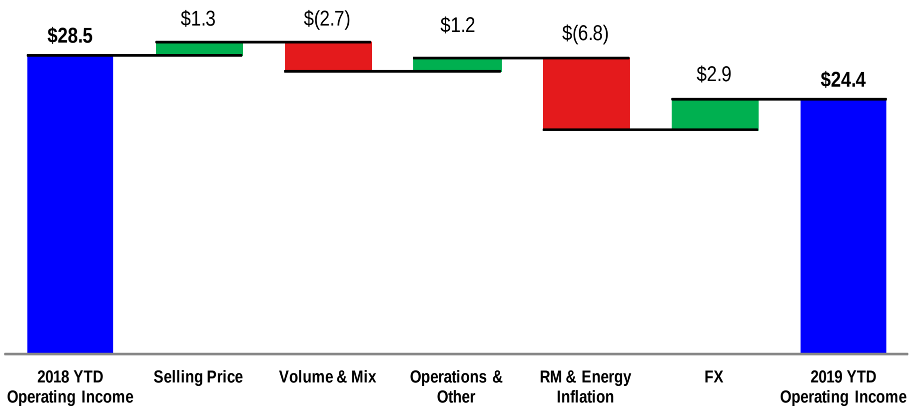
	Six months ended June 30	
Percent of Total	**2019**	2018
Business Unit		
Composite Fibers	**56.3%**	66.6%
Advanced Airlaid Material	**43.7**	33.4
Total	**100.0%**	100.0%

Net sales totaled $464.2 million and $426.9 million in the first six months of 2019 and 2018, respectively. The increase was primarily due to the Steinfurt acquisition, volume growth in Advanced Airlaid Materials’ legacy business and higher selling prices partially offset by unfavorable currency translation. On a constant currency basis and excluding the Steinfurt acquisition, Advanced Airlaid Material’s net sales increased 15.4% and Composite Fibers’ decreased by 3.2%.

Composite Fibers’ net sales decreased $23.2 million, or 8.2% primarily due to a 9.5% decline in shipping volumes partially offset by higher average selling prices totaling $1.3 million. Food and beverage shipping volumes were up 2.4% but were more than offset by declines in wallcover and metallized products which were lower by 18.9% and 19.5%, respectively. Currency translation was unfavorable by $14.2 million.

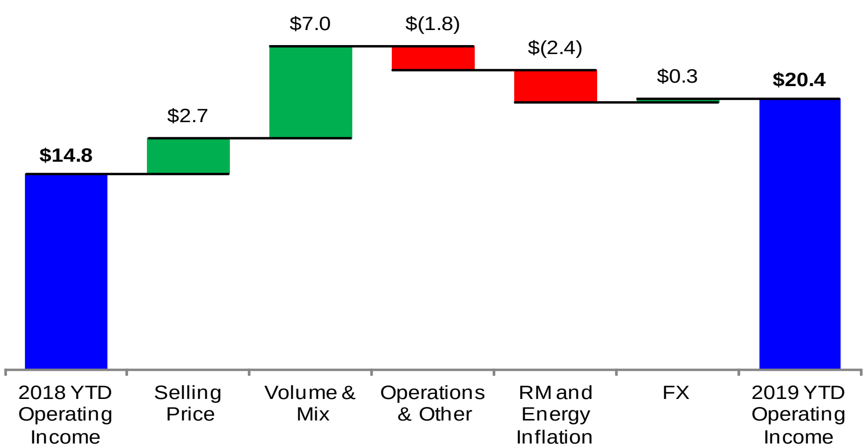
Composite Fibers’ operating income for the first six months of 2019 totaled $24.4 million, a decrease of $4.1 million compared to the year-earlier quarter. Lower shipping volumes and machine downtime to manage inventory levels impacted results by $2.7 million. Higher raw material and energy prices of $6.8 million and costs related to the disruption in the supply of a key raw material were partially offset by benefits of efficient operations and our cost reduction actions. Currency was $2.9 million favorable compared to the year-ago quarter reflecting hedging instruments that matured, more than offsetting the impact of a lower Euro translation rate.

The primary drivers are summarized in the following chart:



Advanced Airlaid Materials' net sales increased $60.5 million, or 42.5%, primarily due to the Steinfurt acquisition and a 11.5% organic increase in shipping volumes reflecting growth in wipes, hygiene and table top products. Higher average selling prices contributed $2.7 million and currency translation was unfavorable by $5.3 million.

Advanced Airlaid Materials' operating income for the first six months of 2019 totaled $20.4 million, or 37.8% higher than the comparable period a year ago. The increase was primarily due to higher shipping volumes which contributed $7.0 million primarily from the Steinfurt acquisition. Higher selling prices were offset by $2.4 million of higher raw material and energy costs. The primary drivers are summarized in the following chart:



Other and Unallocated The amount of "Other and Unallocated" expense in our table of Business Unit Performance totaled $18.0 million in the first six months of 2019 compared with $27.9 million in the first six months of 2018. The decrease in Other and Unallocated expenses, excluding the impact of gains from timberland sales, primarily reflects reduced corporate costs, lower start-up costs related to the Advanced Airlaid Materials capacity expansion program and the reduction in our reserve for the Fox River matter. Other and Unallocated expenses during the first six months of 2019, include $5.9 million of costs related to cost optimization including changes in our business model and associated executive separation costs.

Income taxes In the first six months of 2019 and 2018, we recorded an income tax provision of $7.5 million and $3.6 million, respectively, on income from continuing operations of $18.4 million and $7.1 million, respectively. The lower effective tax rate in the first six months of 2019 compared to the same period of 2018 was primarily due to the closure of certain tax audits.

Foreign Currency We own and operate facilities in Canada, Germany, France, the United Kingdom and the Philippines. The functional currency of our Canadian operations is the U.S. dollar. However, in Germany and France it is the Euro, in the UK, it is the British Pound Sterling, and in the Philippines the functional currency is the Peso. On an annual basis, our euro denominated revenue exceeds euro expenses by an estimated €160 million. For the first six months of 2019, the average currency exchange rate was 1.13 dollar/euro compared with 1.21 in the same period of 2018. With respect to the British Pound Sterling, Canadian Dollar, and Philippine Peso, we have differing amounts of inflows and outflows of these currencies, although to a lesser degree than the euro. As a result, we are exposed to changes in currency exchange rates and such changes could be significant. The translation of the results from international operations into U.S. dollars is subject to changes in foreign currency exchange rates.

The table below summarizes the translation impact on reported results that changes in currency exchange rates had on our non-U.S. based operations from the conversion of these operation's results for the first six months of 2019.

In thousands	**Six months ended June 30, 2019**
	Favorable (unfavorable)
Net sales	**$ (19,490)**
Costs of products sold	**21,073**
SG&A expenses	**1,514**
Income taxes and other	**(44)**
Net income	**$ 3,053**

The above table only presents the financial reporting impact of foreign currency translations assuming currency exchange rates in 2019 were the same as 2018. It does not present the impact of certain competitive advantages or disadvantages of operating or competing in multi-currency markets.

Discontinued Operations We completed the sale of our Specialty Papers business unit on October 31, 2018. Its results of operations are reported as discontinued operations for all periods presented. For the first six months 2019, we reported income from discontinued operations of $0.2 million compared with a loss of $5.2 million in the same period of 2018. The results for the first six months of 2019 reflect a $1.3 million insurance settlement related to an equipment failure partially offset by professional fees and other costs directly related to the business unit.

Three months ended June 30, 2019 versus the three months ended June 30, 2018

Overview For the second quarter of 2019, our net income totaled $5.8 million, or $0.13 per share compared with a loss of $7.4 million, or $0.17 per share in the second quarter of 2018. On an adjusted basis earnings from continuing operations for the second quarter of 2019 was $8.5 million, or $0.19 per share compared with $4.0 million, or $0.09 per share, for the same period a year ago. The following table sets forth summarized results of operations:

In thousands, except per share	**Three months ended June 30**	
	2019	2018
Net sales	**$ 235,053**	$ 215,742
Gross profit	**37,500**	33,299
Operating income	**15,123**	7,688
Continuing operations		
Income	**6,293**	1,280
Earnings per share	**0.14**	0.03
Discontinued operations		
Loss from discontinued operations	**(462)**	(8,679)
Loss per share	**(0.01)**	(0.20)
Net income (loss)	**5,831**	(7,399)
Earnings (loss) per share	**$ 0.13**	$ (0.17)

The following table sets forth the reconciliation of net income (loss) to adjusted earnings for the three months ended June 30, 2019 and 2018:

In thousands, except per share	Three months ended June 30 2019 Amount	2019 EPS	2018 Amount	2018 Diluted EPS
Net income (loss)	**$ 5,831**	**$ 0.13**	$ (7,399)	$ (0.17)
Add: Loss from discontinued operations, net of tax	**462**	**0.01**	8,679	0.20
Income from continuing operations	**6,293**	**0.14**	1,280	0.03
Adjustments *(pre-tax)*				
Cost optimization	**1,984**		—	
Strategic initiatives	**142**		1,727	
Airlaid capacity expansion costs	**—**		1,672	
Timberland sales and related costs	**(423)**		(565)	
Total adjustments (pre-tax)	**1,703**		2,834	
Income taxes (1)	**456**		(247)	
U.S. Tax Reform	**—**		172	
Total after-tax adjustments	**2,159**	**0.05**	2,759	0.06
Adjusted earnings	**$ 8,452**	**$ 0.19**	$ 4,039	$ 0.09

(1) Tax effect on adjustments calculated based on the incremental effective tax rate of the jurisdiction in which each adjustment originated and the related $0.5 million increase in our valuation allowance related to the termination of our qualified pension plan.

Business Unit Performance

Three months ended June 30 *Dollars in millions*	Composite Fibers 2019	Composite Fibers 2018	Advanced Airlaid Materials 2019	Advanced Airlaid Materials 2018	Other and Unallocated 2019	Other and Unallocated 2018	Total 2019	Total 2018
Net sales	**$ 132.6**	$ 142.9	**$ 102.5**	$ 72.8	**$ —**	$ —	**$ 235.1**	$ 215.7
Cost of products sold	**109.6**	118.0	**87.8**	62.8	**0.2**	1.6	**197.6**	182.4
Gross profit (loss)	**23.0**	24.9	**14.7**	10.0	**(0.2)**	(1.6)	**37.5**	33.3
SG&A	**10.0**	11.7	**4.3**	2.4	**8.5**	12.1	**22.8**	26.2
Gains on dispositions of plant, equipment and timberlands, net	**—**	—	**—**	—	**(0.4)**	(0.6)	**(0.4)**	(0.6)
Total operating income (loss)	**13.0**	13.2	**10.4**	7.6	**(8.3)**	(13.1)	**15.1**	7.7
Non-operating expense	**—**	—	**—**	—	**(3.2)**	(4.6)	**(3.2)**	(4.6)
Income (loss) before income taxes	**$ 13.0**	$ 13.2	**$ 10.4**	$ 7.6	**$ (11.5)**	$ (17.7)	**$ 11.9**	$ 3.1
Supplementary Data								
Net tons sold (thousands)	**34.5**	36.7	**34.0**	24.5	**—**	—	**68.5**	61.2
Depreciation, depletion and amortization	**$ 6.6**	$ 7.2	**$ 5.3**	$ 3.5	**$ 0.8**	$ 1.2	**$ 12.7**	$ 11.9
Capital expenditures	**1.5**	2.8	**2.8**	2.5	**0.5**	0.6	**4.8**	5.9

The sum of individual amounts set forth above may not agree to the condensed consolidated financial statements included herein due to rounding

Sales and Costs of Products Sold

In thousands	Three months ended June 30 2019	2018	Change
Net sales	**$ 235,053**	$ 215,742	$ 19,311
Costs of products sold	**197,553**	182,443	15,110
Gross profit	**$ 37,500**	$ 33,299	$ 4,201
Gross profit as a percent of Net sales	**16.0 %**	15.4%	

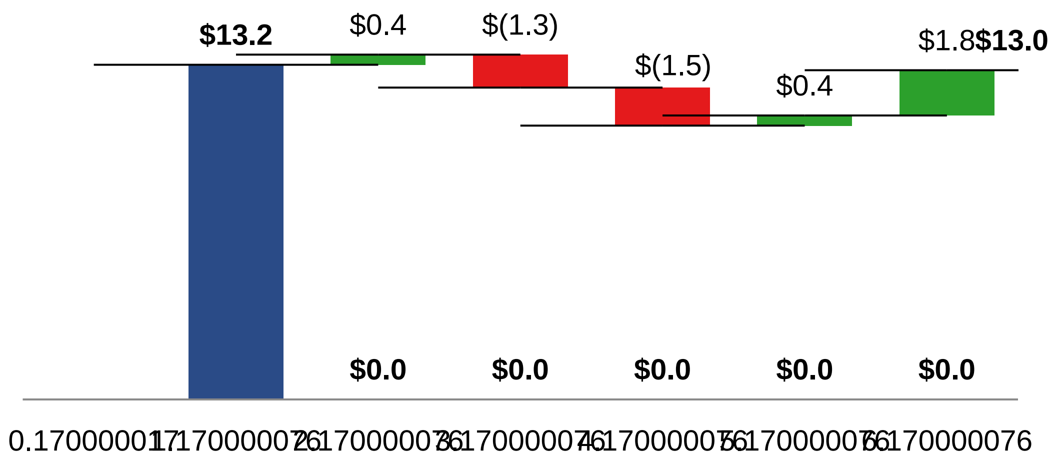
The following table sets forth the contribution to consolidated net sales by each business unit:

Percent of Total	Three months ended June 30 2019	2018
Business Unit		
Composite Fibers	**56.4%**	66.2%
Advanced Airlaid Material	**43.6**	33.8
Total	**100.0%**	100.0%

Net sales totaled $235.1 million and $215.7 million in the second quarters of 2019 and 2018, respectively. Excluding the Steinfurt, Germany acquisition and on a constant currency basis, Advanced Airlaid Materials' net sales increased by 11.7% and Composite Fibers' net sales decreased by 3.0%.

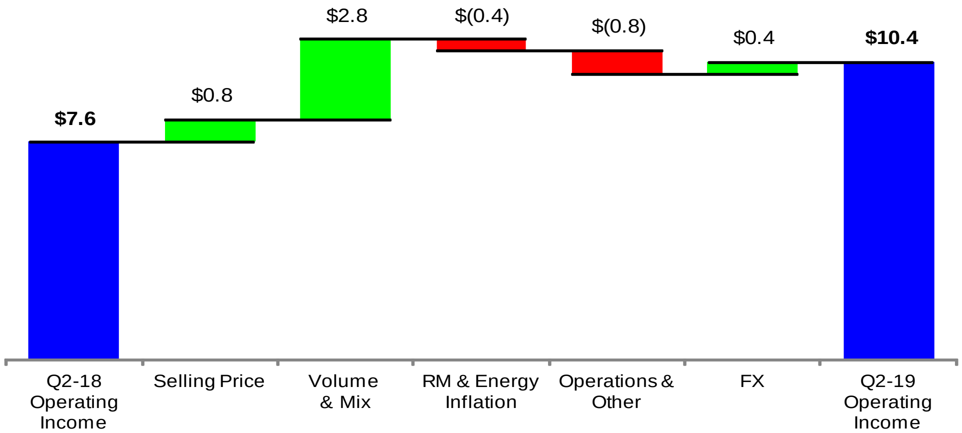
Composite Fibers' net sales declined $10.4 million, or 7.2%, primarily due to a 5.9% decline in shipping volumes. The decline in shipping volumes was primarily due to metallized and wallcover products, which were lower by 17.4% and 10.5%, respectively. Currency translation unfavorably impacted the quarter-to-quarter comparison by $6.0 million.

Composite Fibers' second quarter of 2019 operating income decreased to $13.0 million, down slightly from the year-earlier quarter. Lower shipping volumes impacted results by $1.3 million. Higher raw material prices of $1.5 million and were partially offset by higher selling prices and improved operations totaling $0.8 million. Currency favorably impacted results by $1.8 million compared to the year-ago quarter reflecting hedging instruments that matured, more than offsetting the impact of a lower Euro translation rate. Composite Fibers' operating margin increased by 60 basis points primarily due to an improved product mix and cost optimization initiatives. The primary drivers are summarized in the following chart:



Advanced Airlaid Materials' net sales increased $29.7 million in the quarter-over-quarter comparison primarily due to the Steinfurt acquisition and a 9.6% organic increase in shipping volumes reflecting strong growth in wipes, hygiene and table top products. Higher average selling prices contributed $0.8 million and currency translation was unfavorable by $2.2 million.

Advanced Airlaid Materials' operating income totaled $10.4 million compared with $7.6 million in the second quarter of 2018. The increase was primarily due to higher shipping volumes and the Steinfurt acquisition. Higher selling prices were partially offset by $0.4 million of higher raw material and energy costs. The primary drivers are summarized in the following chart:



Other and Unallocated The amount of net operating expenses not allocated to a business unit and reported as "Other and Unallocated" in our table of Business Unit Performance totaled $8.3 million in the second quarter of 2019 compared with $13.1 million in the second quarter of 2018. Excluding the items identified to present "adjusted earnings," unallocated expenses for the second quarter of 2019 declined $3.7 million compared to the second quarter of 2018, primarily reflecting the impact of corporate cost reduction initiatives.

Income Taxes In the second quarter of 2019, we recorded an income tax provision of $5.7 million on income from continuing operations of $11.9 million. The comparable amounts in the same period of 2018 were $1.8 million and $3.1 million, respectively.

Foreign Currency The table below summarizes the translation impact on reported results that changes in currency exchange rates had on our non-U.S. based operations from the conversion of these operation's results for the second quarter of 2019.

In thousands	Three months ended June 30, 2019 Favorable (unfavorable)
Net sales	$ (8,204)
Costs of products sold	9,763
SG&A expenses	606
Income taxes and other	63
Net income	$ 2,228

The above table only presents the financial reporting impact of foreign currency translations assuming currency exchange rates in 2019 were the same as 2018. It does not present the impact of certain competitive advantages or disadvantages of operating or competing in multi-currency markets.

LIQUIDITY AND CAPITAL RESOURCES

Our business requires significant expenditures for new or enhanced equipment, to support our research and development efforts, and to support our business strategy. In addition, we have mandatory debt service requirements of both principal and interest. The following table summarizes cash flow information for each of the periods presented:

In thousands	Six months ended June 30 2019	2018
Cash and cash equivalents at beginning of period	**$ 142,685**	$ 116,219
Cash provided (used) by		
Operating activities	**(19,285)**	(23,873)
Investing activities	**(11,581)**	(24,201)
Financing activities	**(40,353)**	28,665
Effect of exchange rate changes on cash	**(291)**	(3,230)
Change in cash and cash equivalents from discontinued operations	**(12,230)**	13,609
Net cash used	**(83,740)**	(9,030)
Cash and cash equivalents at end of period	**$ 58,945**	$ 107,189

At June 30, 2019, we had $58.9 million in cash and cash equivalents held by both domestic and foreign subsidiaries. Unremitted earnings of our foreign subsidiaries as of January 1, 2018 and forward are deemed to be indefinitely reinvested and therefore no U.S. tax liability is reflected in the accompanying condensed consolidated financial statements. Approximately 60% of our cash and cash equivalents is held by our foreign subsidiaries but could be repatriated without incurring a significant amount of additional taxes.

Cash used by operating activities in the first six months of 2019 totaled $19.3 million compared with $23.9 million in the same period a year ago. The improvement in cash used by operation was primarily due to increased profitability partially offset by an increased use for working capital. The use of $20.5 million of cash in the first six months of 2019 for the Fox River matter was substantially offset by lower incentive payments and other accruals.

Net cash used by investing activities decreased by $12.6 million in the year-over-year comparison due to lower capital expenditures driven by the completion of the airlaid capacity expansion in early 2018.

Net cash used by financing activities totaled $40.4 million in the first six months of 2019 compared with $28.7 million provided by financing activities in the same period of 2018. The increase in cash used by financing activities primarily reflects net repayment of borrowings under our revolving credit facility.

The following table sets forth our outstanding long-term indebtedness:

In thousands	June 30 2019	December 31 2018
Revolving credit facility, due Mar. 2020	**$ —**	$ 114,495
Revolving credit facility, due Feb. 2024	**94,454**	—
5.375% Notes, due Oct. 2020	**—**	250,000
Term loan, due Feb. 2024	**250,360**	—
2.40% Term Loan, due Jun. 2022	**4,877**	5,725
2.05% Term Loan, due Mar. 2023	**22,778**	25,972
1.30% Term Loan, due Jun. 2023	**6,503**	7,361
1.55% Term Loan, due Sep. 2025	**8,715**	9,470
Total long-term debt	**387,687**	413,023
Less current portion	**(23,238)**	(10,785)
Unamortized deferred issuance costs	**(2,657)**	(1,276)
Long-term debt, net of current portion	**$ 361,792**	$ 400,962

In the first quarter of 2019, we significantly changed our debt capital structure. On February 8, 2019, we entered into a new credit facility with a consortium of financial institutions. The new five-year facility (the "2019 Facility") replaces our then existing revolving credit facility and consists of a $400 million variable rate revolver and a €220 million, amortizing term loan. The other terms of the 2019 Facility are substantially similar to our previous revolving credit facility. On February 28, 2019, we redeemed all outstanding 5.375% Notes with proceeds from the new term loan.

The 2019 Facility contains a number of customary compliance covenants, the most restrictive of which is a maximum leverage ratio of 4.0x provided that such ratio increases to 4.5x during the period of four fiscal quarters immediately following a material acquisition such as Steinfurt. As of June 30, 2019, the leverage ratio, as calculated in accordance with the definition in our amended credit agreement, was 3.5x, within the limits set forth in our credit agreement. Based on our expectations of future results of operations and capital needs, we do not believe the debt covenants will impact our operations or limit our ability to undertake financings that may be necessary to meet our capital needs.

Financing activities include cash used for common stock dividends. In both the first six months of 2019 and 2018, we used $11.5 million and $11.4 million, respectively, of cash for dividends on our common stock. Our Board of Directors determines what, if any, dividends will be paid to our shareholders. Dividend payment decisions are based upon then-existing factors and conditions and, therefore, historical trends of dividend payments are not necessarily indicative of future payments.

We are subject to various federal, state and local laws and regulations intended to protect the environment as well as human health and safety. At various times, we have incurred significant costs to comply with these regulations and we could incur additional costs as new regulations are developed or regulatory priorities change.

We expect to meet all of our near and long-term cash needs from a combination of operating cash flow, cash and cash equivalents, our existing credit facility and other long-term debt.

Off-Balance-Sheet Arrangements As of June 30, 2019 and December 31, 2018, we had not entered into any off-balance-sheet arrangements. Financial derivative instruments, to which we are a party, and guarantees of indebtedness, which solely consist of obligations of subsidiaries, are reflected in the condensed consolidated balance sheets included herein in Item 1 – Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*S*

	Year Ended December 31					June 30, 2019	
Dollars in thousands	2019	2020	2021	2022	2023	Carrying Value	Fair Value
Long-term debt							
Average principal outstanding							
At fixed interest rates – Term Loans	40,193	32,153	21,434	11,324	5,267	42,873	43,504
At variable interest rates	340,120	329,167	316,649	304,131	291,613	344,814	344,814
						$ 387,687	$388,318
Weighted-average interest rate							
On fixed rate debt – Term Loans	1.88%	1.86%	1.82%	1.77%	1.67%		
On variable rate debt	1.50%	1.50%	1.50%	1.50%	1.50%		

The table above presents the average principal outstanding and related interest rates for the next five years for debt outstanding as of June 30, 2019. Fair values included herein have been determined based upon rates currently available to us for debt with similar terms and remaining maturities.

Our market risk exposure primarily results from changes in interest rates and currency exchange rates. At June 30, 2019, we had $385.0 million of long-term debt, net of unamortized debt issuance costs, of which 89.6% was at variable interest rates. Variable-rate debt outstanding represents borrowings under the 2019 Facility including both revolving credit borrowings and the amortizing term loan. Interest accrues based on LIBOR plus a margin. At June 30, 2019, the interest rate paid was approximately 1.50%. A hypothetical 100 basis point increase or decrease in the interest rate on variable rate debt would increase or decrease annual interest expense by $3.4 million.

As part of our overall risk management practices, we enter into financial derivatives primarily designed to either i) hedge foreign currency risks associated with forecasted transactions – “cash flow hedges”; or ii) mitigate the impact that changes in currency exchange rates have on intercompany financing transactions and foreign currency denominated receivables and payables – “foreign currency hedges.” For a more complete discussion of this activity, refer to Item 1 – Financial Statements – Note 16.

We are subject to certain risks associated with changes in foreign currency exchange rates to the extent our operations are conducted in currencies other than the U.S. Dollar. On an annual basis, our euro denominated revenue exceeds euro expenses by an estimated €160 million. With respect to the British Pound Sterling, Canadian Dollar, and Philippine Peso, we have differing amounts of inflows and outflows of these currencies, although to a lesser degree than the euro. As a result, particularly with respect to the euro, we are exposed to changes in currency exchange rates and such changes could be significant.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures Our chief executive officer and our principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of June 30, 2019, have concluded that, as of the evaluation date, our disclosure controls and procedures are effective.

Changes in Internal Controls There were no changes in our internal control over financial reporting during the three months ended June 30, 2019, that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II

ITEM 6. EXHIBITS

The following exhibits are filed herewith or incorporated by reference as indicated.

10.1	P.H. Glatfelter Company Supplemental Executive Retirement Plan (Amended and Restated)
10.2	Amendment No. 2019-1 to the P.H. Glatfelter Company Supplemental Management Pension Plan
31.1	Certification of Dante C. Parrini, Chairman and Chief Executive Officer of Glatfelter, pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of Samuel L. Hillard, Senior Vice President and Chief Financial Officer, pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1	Certification of Dante C. Parrini, Chairman and Chief Executive Officer of Glatfelter, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, furnished herewith.
32.2	Certification of Samuel L. Hillard, Senior Vice President and Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, furnished herewith.
101.INS	XBRL Instance Document - – the instance document does not appear in the Interactive Data file because iXBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema, filed herewith.
101.CAL	XBRL Extension Calculation Linkbase, filed herewith.
101.DEF	XBRL Extension Definition Linkbase, filed herewith.
101.LAB	XBRL Extension Label Linkbase, filed herewith.
101.PRE	XBRL Extension Presentation Linkbase, filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

P. H. GLATFELTER COMPANY
(Registrant)

July 30, 2019

By /s/ David C. Elder
David C. Elder
Vice President, Finance

Exhibit 10.1

P. H. GLATFELTER COMPANY

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

(Amended and Restated Effective June 1, 2019)

TABLE OF CONTENTS

P.H. Glatfelter Company
Supplemental Executive Retirement Plan
(Amended and Restated Effective June 1, 2019)

ARTICLE I

PURPOSE

1.1 Background and Purpose. The Plan was originally established, effective January 1, 1988, for the purpose of providing certain officers or senior management employees of the Company with benefits which would otherwise be provided under the Retirement Plan but for reductions or restrictions to such benefits required by Federal law. Effective as of April 23, 1998, the Plan was amended and restated in its entirety, and was further amended effective December 26, 2000. Effective as of January 1, 2008, the Plan was again amended and restated in its entirety to conform its provisions to the requirements of Section 409A of the Code and the final regulations thereunder. Effective as of January 1, 2010, the Plan was amended and restated to incorporate Amendment No. 2010-1. Defined terms shall have the meanings set forth in Article II.Effective as of the Freeze Date, the Retirement Plan was frozen and, effective as of June 30, 2019, the Retirement Plan will be terminated. In connection with terminating the Retirement Plan, the Company will offer lump sum distributions to participants in the Retirement Plan who are not in pay status and, after such lump sum distributions have been made, Retirement Plan assets will be applied to the purchase of annuity contracts from one or more insurance companies for the purpose of providing annuities to Retirement Plan participants, beneficiaries, and alternate payees. In addition, in connection with the termination of the Retirement Plan, the Committee has determined (i) to freeze matching and other employer contributions under the 401(k) Savings Plan effective as of the last day of the last pay cycle in May that is paid on or before May 31, 2019, and (ii) to add a new discretionary Company contribution to the 401(k) Savings Plan effective immediately thereafter. Notwithstanding the freezing and termination of the Retirement Plan, benefit accruals under this Plan will continue following the Freeze Date, unless and until the Board determines otherwise.

This amended and restated Plan document is effective as of June 1, 2019, and applies to Participants whose benefits under the Plan commence after the Freeze Date.

The Plan consists of two benefits. The first benefit, known as the “Restoration Pension”, provides an additional pension benefit based on the Participant’s pension benefit earned under the terms of the Retirement Plan, which is intended to restore that portion of the Retirement Plan’s benefit which cannot be paid from that plan due to legal limitations on the compensation and total benefits payable thereunder.

The second benefit, known as the “Final Average Compensation Pension” or “FAC Pension”, pays a monthly pension benefit equal to a designated percentage of the participant’s Final Average Compensation, offset by the actuarially equivalent value of the Participant’s benefits under the Retirement Plan, certain Company-sponsored nonqualified defined benefit pension arrangements, including (if applicable) the Restoration Pension, and the 401(k) Savings Plan Benefit.

It is intended that this Plan will satisfy the requirements of an unfunded "top hat" deferred compensation plan as described in Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. Consequently, participation shall be limited to individuals who, in the determination of the Committee, are management employees or who are highly compensated employees for purposes of the foregoing provisions of ERISA.

ARTICLE II

DEFINITIONS

2.1 "401(k) Savings Plan" means the P.H. Glatfelter 401(k) Savings Plan, as amended from time to time.

2.2 "401(k) Savings Plan Benefit" means for any Participant:

(a) The aggregate discretionary Company contributions made by the Company to the 401(k) Savings Plan during the period after the Freeze Date and before the Participant's Separation from Service, minus

(b) The matching contributions that would have been made under the 401(k) Savings Plan as in effect immediately prior to the Freeze Date, assuming a matching contribution that equates to 1.5% of eligible compensation, had matching contributions continued for the period after the Freeze Date and before the Participant's Separation from Service, plus

(c) Interest calculated on the foregoing amount for the period after the applicable Company contributions are made until the date as of which the Participant's benefit under this Plan is calculated, at the published average corporate Moody's Aa nominal bond yield for the last business day of the preceding calendar year, compounded annually.

2.3 "Accrued Benefit" means, as of any applicable date of reference, the amount of the Participant's Restoration Pension or Final Average Compensation Pension, as the case may be, which has been earned to such date payable (in the case of the Restoration Pension) in the normal form of annuity payment commencing as of his normal retirement date under the terms of the Retirement Plan or (in the case of the FAC Pension) in the form of the Joint and 75% Surviving Spouse's Annuity commencing as of his Normal Retirement Date (or, in each case, immediately if the Participant has passed his normal retirement date and is still an Employee), and calculated in accordance with Article IV or Article V, as the case may be. In determining a Participant's Accrued Benefit as of a particular date, his compensation and/or service credit earned after such date shall not be taken into account.

2.4 "Benefit Commencement Date" means, for any Participant, the date as of which his initial benefit payment is due. "Benefit Commencement Date" also means, with respect to the Participant's Spouse, the date on which the Survivor's Benefit under Section 5.7 commences to the Spouse.

2.5 "Benefit Years" means, subject to Section 5.5, the Participant's Benefit Years as that term is defined for purposes of the Retirement Plan; provided, however, that if the Participant had become a covered employee under the Retirement Plan by reason of transfer from hourly-paid service with the Company or an affiliate on or after January 1, 1992, Benefit Years shall also be credited with respect to his service as an hourly employee prior to such transfer.

2.6 “Board” means the Board of Directors of P.H. Glatfelter Company.

2.7 “Cause” means (i) an act or acts of personal dishonesty taken by the Participant and intended to result in substantial personal enrichment of the Participant at the expense of the Company, (ii) illegal conduct or gross misconduct which is materially injurious to the Company and which conduct or misconduct is demonstrably willful and deliberate on the Participant’s part, (iii) violation by the Participant of any of the Company’s policies including, but not limited to, policies regarding sexual harassment, insider trading, confidentiality, non-disclosure, non-competition, non-disparagement, substance abuse and conflict of interest and any other written policy of the Company, which violation could result under the terms of such policy in the termination of the Participant’s employment, or (iv) the conviction of the Participant of a felony which is materially injurious to the Company or a plea by the Participant of guilty or no contest to a charge of a felony which is materially injurious to the Company.

2.8 “Change in Control” means the occurrence of any of the following events, directly or indirectly or in one or more series of transactions:

(a) The acquisition, directly or indirectly, other than from the Company, by any person, entity or “group” (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), excluding, for this purpose, the Company, its subsidiaries, any employee benefit plan of the Company or its subsidiaries, and any purchaser or group of purchasers who are descendants of, or entities controlled by descendants of, P.H. Glatfelter which acquires beneficial ownership of voting securities of the Company) (a “Third Party”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of the combined voting power of the Company’s then outstanding voting securities entitled to vote generally in the election of directors; or

(b) Individuals who, as of the date hereof, constitute the Board (the “Incumbent Directors”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the Incumbent Directors who are directors at the time of such vote shall be, for purposes of this Agreement, an Incumbent Director; or

(c) Consummation of (i) a reorganization, merger or consolidation, in each case, with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger or consolidation (other than the acquirer) do not, immediately thereafter, beneficially own more than 50% of the combined voting power of the reorganized, merged or consolidated company’s then outstanding voting securities entitled to vote generally in the election of directors, or (ii) a liquidation or dissolution of the Company or the sale of all or substantially all of the assets of the Company (whether such assets are held directly or indirectly) to a Third Party.

In addition to the foregoing, a Change in Control with respect to an individual Participant shall be deemed to occur if the Participant’s employment with the Company is terminated prior to the date on which a Change in Control occurs, and it is reasonably demonstrated that such termination (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or anticipation of a Change in Control. In such event, the provisions of Section 3.3 shall apply with respect to the Participant's benefit, except that the Company's obligation to fund the Trust shall not arise unless and until a Change in Control as described in paragraphs (a), (b) or (c) has actually occurred.

2.9 "Code" means the Internal Revenue Code of 1986, as amended.

2.10 "Committee" means the Compensation Committee of the Company's Board of Directors.

2.11 "Company" means the P.H. Glatfelter Company.

2.12 "Compensation" means

(a) with respect to the FAC Pension, the sum of (i) a Participant's base compensation for each calendar month included as part of Final Average Compensation (as defined herein for purposes of the FAC Pension) and (ii) that portion of his annual incentive and profit sharing earnings which is attributable to the Participant's performance of services during such month, as determined by the Committee; and

(b) with respect to the Restoration Pension, the Participant's compensation for any applicable period as defined for purposes of the Retirement Plan with respect to the participant group (Cash Balance Retirement Plan Participant or Legacy Retirement Plan Participant) of which the Participant is a member, plus, if applicable for any period for a Participant who is a Legacy Retirement Plan Participant, that portion of the Participant's incentive award under the MIP which he had elected (prior to 2005) to defer in accordance with paragraph 7 of the MIP as it existed prior to January 1, 2005.

2.13 "Confidential Information" means information which is not generally known to the public, which is used, developed, or obtained by the Company (or its affiliates) relating to its business and the businesses of its clients or customers including, without limitation: products or services; fees, costs and pricing structures; marketing information; advertising and pricing strategies; analyses and reports; computer software including operating systems, applications and program listings; flow charts; manuals and documentation; databases; accounting and business methods; inventions and new developments and methods, whether patentable or unpatentable and whether or not reduced to practice; all copyrightable works; the Company's existing and prospective clients and customers and their confidential information; existing and prospective client and customer lists and other data related thereto; billing and payment records; and all similar and related information in whatever form.

2.14 "Disability" means a disabling illness or injury which causes the Participant to be absent from work and during which the Participant receives payments under the Company's long-term disability plan.

2.15 "Early Retirement Date" means the first day of the month coincident with or next following the Participant's attainment of age 55 and retirement from employment with the Company and all affiliates; provided that such date shall not be later than his Normal Retirement Date.

2.16 "Employee" means an officer or senior management employee of the Company and, with respect to the Restoration Pension, such other management or highly compensated employee of the Company who would qualify for a Restoration Pension benefit under the eligibility criteria described at Section 3.1(b).

2.17 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.18 "Final Average Compensation"means

(a) with respect to the FAC Pension for any Participant, the annualized average of the Participant's Compensation (as defined in Section 2.12(a)) for the sixty (60) calendar months immediately preceding his retirement, as determined by the Committee. In determining a Participant's Final Average Compensation, the Committee may estimate the Participant's incentive and/or profit sharing earnings with respect to his final year or partial year of employment. In such event, after the Participant's actual Compensation is known, the amount of the Participant's monthly FAC Pension shall be adjusted to reflect such actual Compensation at such time and in such manner as the Committee deems appropriate; and

(b) with respect to the Restoration Pension for any Participant who is a Legacy Retirement Plan Participant, his "final average compensation" as defined in Schedule C, Section C-1.14 of the Retirement Plan, but determined by taking into account as Compensation for any period comprising such final average compensation that portion of the Participant's incentive award under the MIP which he had elected (prior to 2005) to defer in accordance with paragraph 7 of the MIP as it existed prior to January 1, 2005.

2.19 "Final Average Compensation Pension" or "FAC Pension" means the pension benefit described in Article V of this Plan.

2.20 "Freeze Date" means May 31, 2019, which is the date as of which the Retirement Plan was frozen.

2.21 "Joint and 75% Surviving Spouse's Annuity" means, with respect to the Final Average Compensation Pension, a joint and survivor annuity with the Participant's Spouse, with monthly installments payable to the Participant for his lifetime in the amount determined under Section 5.1, 5.2, 5.3, 5.4 or 5.5, as applicable, and with seventy-five percent (75%) of the amount of such monthly installment payable after the death of the Participant to the Spouse of such Participant, if then living, for the life of such surviving Spouse.

2.22 "Normal Retirement Date" means, for purposes of the FAC Pension, the first day of the month coincident with or next following the Participant's attainment of age 62, provided that he has retired from employment with the Company and all affiliates. For purposes of the Restoration Pension, Normal Retirement Date means the Participant's normal retirement date under the terms of the Retirement Plan.

2.23 "MIP" means the Company's Management Incentive Plan, as it may be amended from time to time.

2.24 "Participant" means an Employee who is selected by the Committee for participation in the Plan with respect to the FAC Pension and/or the Restoration Pension as described in Section 3.1.

2.25 "Plan" means the P.H. Glatfelter Company Supplemental Executive Retirement Plan.

2.26 "Retirement Plan" means the P.H. Glatfelter Company Retirement Plan. Benefits determined by reference to the Retirement Plan shall be determined as if the Retirement Plan had not been frozen and terminated, except where specifically provided otherwise. References to the Retirement Plan shall mean the Retirement Plan as in effect immediately before the Freeze Date, without regard to the freezing of benefits as of the Freeze Date, except where specifically provided otherwise. All references to benefits payable under the Retirement Plan shall include Retirement Plan benefits payable from an insurance company after the termination of the Retirement Plan. . Participants in the Retirement Plan belong to one of two groups corresponding to the two programs of benefits under the Retirement Plan. As used herein, a "Cash Balance Retirement Plan Participant" means a Retirement Plan participant whose benefit is determined under the Retirement Plan's cash balance benefit formula. As used herein, a "Legacy Retirement Plan Participant" means a Retirement Plan participant whose benefit is determined under the traditional or legacy formula described in Schedule C of the Retirement Plan.

2.27 "Restoration Pension" means the pension benefit described in Article IV of this Plan.

2.28 "Restoration Pension Calculation Date" means, for a Participant with respect to the Restoration Pension, the first day of the calendar month which is coincident with or next follows the date of the Participant's Separation from Service.

2.29 "Restoration Pension Commencement Date" means, for a Participant with respect to the Restoration Pension, the first day of the seventh (7^{th}) calendar month following the date of such Participant's Separation from Service. Notwithstanding the foregoing, the Committee reserves the right, with respect to any Employee designated as a Participant under the Restoration Pension prior to January 1, 2010 whose Restoration Pension is paid as an annuity, to delay his Restoration Pension Commencement Date to the first day of the month coincident with or next following the date he attains age 55, if the Committee deems such delay necessary to conform to the regulations under Section 409A of the Code.

2.30 "Separation from Service" means, subject to Section 9.4, the Participant's "Separation from Service" as that term is defined for purposes of the Retirement Plan.

2.31 "Spouse" means the individual, if any, to whom the Participant is legally married on the Participant's Benefit Commencement Date, or, with respect to the Survivor's Benefit under Section 5.7 or an approved single sum distribution of the FAC Pension under Sections 5.8(b) or (c), on the date of the Participant's death.

2.32 "Trust" means the trust under the Trust Agreement executed January 12, 1990 between the Company and Provident National Bank as Trustee, or any successor "rabbi" trust agreement conforming to the requirements described at Section 6.1(b), as may be adopted by the Company to hold the assets used to pay Plan benefits.

ARTICLE III

ELIGIBILITY FOR AND FORFEITURE OF PLAN PARTICIPATION

3.1 Eligibility and Participation. Notwithstanding anything in the Plan to the contrary, effective as of May 31, 2019, participation in the Plan shall be frozen, and no employee shall thereafter become a Participant in the Plan.

(a) FAC Pension. An Employee shall become a Participant with respect to the FAC Pension if he is selected for participation by the Committee, in its sole and absolute discretion. An Employee must specifically be designated by the Committee as a Participant with respect to the FAC Pension, regardless of whether he may be a Participant with respect to the Restoration Pension. No Employee shall be designated as eligible for the FAC Pension who is also eligible for the Early Retirement Supplement under the Company's Supplemental Management Pension Plan.

(b) Restoration Pension.

(1) An Employee shall become a Participant with respect to the Restoration Pension if he is selected for participation by the Committee, in its sole discretion. Following the close of each calendar year, Company management shall nominate Employees for participation in the Restoration Pension, on the basis of such Employee having earned Compensation (as defined in Section 2.12) for such calendar year which exceeds the dollar limit on annual compensation under Section 401(a)(17) of the Code ("Excess Annual Compensation"). If approved by the Committee, a nominated Employee shall become a Participant with respect to the Restoration Pension as of the January 1 of the calendar year which next follows the calendar year in which the Employee has earned Excess Annual Compensation. To be eligible for the Restoration Pension benefit, a Participant must ultimately earn a vested benefit under the Retirement Plan.

(2) Notwithstanding the foregoing, the Committee in its sole discretion may designate an Employee as a Participant with respect to the Restoration Pension who has not earned Excess Annual Compensation.

(3) No Employee who becomes a Participant with respect to the Restoration Pension shall be eligible for the Management Incentive Plan (MIP) Adjustment Supplement under the Company's Supplemental Management Pension Plan (the "SMPP"). In the event an Employee eligible for the MIP Adjustment Supplement under the SMPP becomes a Participant with respect to the Restoration Pension, he shall forfeit any benefit under the MIP Adjustment Supplement in favor of the Restoration Pension.

3.2 Cessation of Participation; Termination of Benefit Accruals.

(a) With respect to the FAC Pension, a Participant shall cease to be a Participant and shall forfeit the right to his Accrued Benefit with respect to the FAC Pension under this Plan if (i) prior to the time he attains age 55, he voluntarily or involuntarily terminates employment with the Company and all affiliates other than by reason of death, or (ii) on or after age attaining age 55, his employment is terminated by the Company for Cause.

(b) With respect to the Restoration Pension, a Participant shall cease to be a Participant and shall forfeit his right to his Accrued Benefit with respect to his Restoration Pension if his employment is terminated by the Company for Cause.

(c) The Committee shall have the right, in its sole and absolute discretion, to terminate the accrual of benefits for a Participant at any time prior to his Benefit Commencement Date; provided however, that such termination of benefit accruals shall be prospective only and shall not affect the right of such Participant, subject to the application of subsections (a), (c) and (d), to receive a Restoration Pension or FAC Pension, as the case may be, based on his Accrued Benefit determined as of the date benefit accruals are terminated.

(d) If a Participant who is receiving, or may be entitled to receive, a benefit hereunder should, without the prior consent of the Committee, (1) become an employee, officer or a director of a competitor of the Company, or (2) use or disclose Confidential Information (except as required in the performance of the Participant's duties with the Company), then payments thereafter payable hereunder to such Participant or such Participant's beneficiary will be forfeited and neither the Company nor the Plan will have any further obligation hereunder to such Participant or his beneficiary. The Committee in its sole and absolute discretion shall determine if another entity or person is a "competitor" for purposes of this subsection.

(e) Except as provided in Section 3.3, the Committee shall have broad, sole and absolute discretion under Section 3.1 and subsections (c) and (d) hereof, including but not limited to determining who will become a Participant in the Plan, when participation in the Plan commences and ceases and when benefits accruals commence or terminate.

3.3 Change in Control. Notwithstanding anything to the contrary contained in this Article III or any other portion of the Plan, when a Change in Control occurs, the right to receive benefits under this Plan for each Employee who is a Participant in the Plan on the date such change occurs shall become fixed and nonforfeitable with respect to his Accrued Benefit on such date, and shall not be subsequently divested. All discretion of the Committee regarding the forfeiture or termination of a Participant's participation or benefits as provided under Section 3.2 shall be eliminated upon such Change in Control, and the Applicable Percentage of each Participant's Final Average Compensation Pension (see Section 5.1(b)) shall be fixed at fifty-five percent (55%). Also, within five (5) days following such Change in Control the Company shall fund the Trust with sufficient assets to pay the Accrued Benefits of all Participants under the Plan.

ARTICLE IV

RESTORATION PENSION

4.1 Amount of Restoration Pension. A Participant's Restoration Pension shall be equal to the amount described in subsection (a), (b) or (c), as applicable. The Restoration Pension shall be paid at the time set forth in Section 4.2 and in the form set forth in Section 4.3.

(a) With respect to any Participant who is a Legacy Retirement Plan Participant other than a "1970 Participant" described in subsection (b), the Restoration Pension shall be equal to (1), minus (2), minus (3) below:

(1) The vested single life annuity benefit that would have been payable to the Participant beginning at his Restoration Pension Calculation Date determined

(A) on the basis of his Compensation and Final Average Compensation (as defined in Sections 2.12 and 2.18 of this Plan) determined without regard to the limit on annual compensation under Section 401(a)(17) of the Code, and

(B) without regard to any applicable maximum benefit limitation under Section 415 (b) of the Code with respect to a Retirement Plan benefit payable as of the Restoration Pension Calculation Date.

(C) as if the Retirement Plan had not been frozen.

(2) The vested single life annuity benefit that would be payable to the Participant under the terms of the Retirement Plan (based on "Compensation" and "Final Average Compensation" as defined under the Retirement Plan, taking into account the legal limits under Sections 401(a)(17) and 415(b) of the Code, and taking into account the freezing of the Retirement Plan) if such benefit was to begin to be paid as of the Restoration Pension Calculation Date (regardless of whether the Participant in fact begins to receive his Retirement Plan benefit at a different time).

(3) The vested single life annuity that is the actuarial equivalent of the 401(k) Savings Plan Benefit as of the Restoration Pension Calculation Date.

(b) With respect to any Participant who is a Legacy Retirement Plan Participant and who is a "1970 Participant" as defined in Section C-1.22 of the Retirement Plan whose benefit thereunder is determined under the "Modified Grandfathered Accrued Benefit" for "1970 Participants", the Restoration Pension shall be equal to (1), minus (2), minus (3) below.

(1) The vested single life annuity benefit that would have been payable to the Participant beginning at his Restoration Pension Calculation Date determined

(A) on the basis of "Base Earnings" and "Final Average Excess Earnings" (each as defined in Schedule C of the Retirement Plan) (but including, with respect to the determination of the Participant's excess earnings for any period, that portion of the Participant's incentive award under the MIP which he had elected (prior to 2005) to defer in accordance with paragraph 7 of the MIP as it existed prior to January 1, 2005), determined without regard to the limit on annual compensation under Section 401(a)(17) of the Code, and

(B) without regard to any applicable maximum benefit limitation under Section 415(b) of the Code with respect to a Retirement Plan benefit payable as of the Restoration Pension Calculation Date.

(C) as if the Retirement Plan had not been frozen.

(2) The vested single life annuity benefit that would have been payable to the Participant under the terms of the Retirement Plan (taking into account the legal limits under Sections 401(a)(17) and 415(b) of the Code and taking into account the freezing of the Retirement Plan) if such benefit was to begin to be paid as of the Restoration Pension Calculation Date (regardless of whether the Participant in fact begins to receive his Retirement Plan benefit at a different time).

(3) The vested single life annuity that is the actuarial equivalent of the 401(k) Savings Plan Benefit as of the Restoration Pension Calculation Date.

(c) With respect to any Participant who is a Cash Balance Retirement Plan Participant, the Restoration Pension shall be equal to (1), minus (2), minus (3) below:

(1) The vested single life annuity benefit that would have been payable to the Participant beginning at his Restoration Pension Calculation Date under the Retirement Plan's "cash balance" benefit formula determined

(A) on the basis of his Compensation (as defined in Section 2.12) determined without regard to the limit on annual compensation under Section 401(a)(17) of the Code, and

(B) without regard to any applicable maximum benefit limitation under Section 415(b) of the Code with respect to a Retirement Plan benefit payable as of the Restoration Pension Calculation Date.

(C) as if the Retirement Plan had not been frozen.

(2) The vested single life annuity benefit that would be payable to the Participant under the terms of the Retirement Plan's "cash balance" benefit formula (based on "Compensation" as defined under the Retirement Plan, taking into account the legal limits under Sections 401(a)(17) and 415(b) of the Code, and taking into account the freezing of the Retirement Plan) if such benefit was to begin to be paid as of the Restoration Pension Calculation Date (regardless of whether the Participant in fact begins to receive his Retirement Plan benefit at a different time).

(3) The vested single life annuity that is the actuarial equivalent of the 401(k) Savings Plan Benefit as of the Restoration Pension Calculation Date.

4.2 Payment of Restoration Pension.

(a) Although the amount of the Restoration Pension benefit is, as described in Section 4.1, determined as of the Restoration Pension Calculation Date, payment of the Restoration Pension is delayed until the Restoration Pension Commencement Date. The Restoration Pension shall be paid or commence to be paid to a Participant in accordance with Section 4.3 within thirty (30) days following the Restoration Pension Commencement Date. If payable as a monthly annuity, the first payment of the Restoration Pension shall include a payment equal to the payments due for the period between the Restoration Pension Calculation Date and the Restoration Pension Commencement Date, which additional payment shall be determined without interest. If, prior to January 1, 2010, a Participant had made a lawful election to postpone distribution to a later specified date, distribution shall be made, or commence to be made, within thirty days following such later specified date. No Participant election to postpone the Restoration Pension Commencement Date shall be permitted on or after January 1, 2010 and no previous election shall be permitted to be cancelled or modified, except as may be permitted by the Committee in its sole discretion consistent with the requirements of Section 409A of the Code and the regulations thereunder.

(b) In the event the Participant should die after his Restoration Pension Calculation Date but before his Restoration Pension Commencement Date, the survivor portion of his Restoration Pension benefit payable as an annuity (see Section 4.3) shall be paid to his Spouse if he was married on the date of his death, commencing as soon as practicable following notification to the Committee of the Participant’s death. A Restoration Pension benefit payable as a single sum distribution shall be paid to the Participant’s estate as soon as practicable following notification to the Committee of the Participant’s death.

4.3 Forms of Payments.

(a) If the present value of a Participant’s Restoration Pension on the Restoration Pension Calculation Date exceeds the applicable dollar amount under Section 402(g)(1)(B) of the Code on such date (for 2019, this dollar amount is $19,000), his Restoration Pension will be paid as of or beginning as of his Restoration Pension Commencement Date in the form of (1) a joint and 50% survivor annuity with his Spouse if he is married on his Restoration Pension Commencement Date or (2) a single life annuity if he is unmarried on such date.

(b) If the present value of a Participant’s Restoration Pension on the Restoration Pension Calculation Date is equal to or less than the applicable dollar amount under Section 402(g)(1)(B) of the Code on such date (for 2019, this dollar amount is $19,000), the Restoration Pension will be paid as of the Participant’s Restoration Pension Commencement Date in the form of a single sum distribution equal to its actuarially equivalent present value on the Restoration Pension Calculation Date.

(c) Notwithstanding the foregoing, if, prior to January 1, 2010, a Participant had made a lawful election to receive his Restoration Pension in a different payment form, such election shall be honored. No Participant election to change the form of payment shall be permitted on or after January 1, 2010, and no previous election shall be permitted to be canceled or modified, except as may be permitted by the Committee in its sole discretion consistent with the requirements of Section 409A of the Code and the regulations thereunder.

(d) Notwithstanding the foregoing (and notwithstanding any election made by the Participant to the contrary), if a Participant entitled to the Restoration Pension is also entitled to the FAC Pension (the amount of which is determined in part by offsetting the value of the Restoration Pension), the Restoration Pension shall be paid, or begin to be paid, at the same time that the FAC Pension is paid or begins to be paid.

(e) For purposes of (i) converting a Restoration Pension payable as a single life annuity into a joint and 50% survivor annuity or other form of annuity benefit under the Retirement Plan and (ii) determining the amount of the Restoration Pension if paid other than at the Participant's Normal Retirement Date under the terms of the Retirement Plan, the actuarial equivalent and early commencement factors applicable to the Participant's benefit under the Retirement Plan as of the Restoration Pension Calculation Date, determined as if the Retirement Plan had not been frozen, shall be used. In the event the Participant who is a Legacy Retirement Plan Participant has a Separation from Service before attaining age 55, and his Restoration Pension Calculation Date is prior to the first day of the calendar month coincident with or next following the month in which he attains age 55, the reduction of a single life annuity benefit to reflect its early commencement shall be equal to one-half of one percent (½%) for each month (6% per year) by which the Participant's Restoration Pension Calculation Date precedes his Normal Retirement Date under the terms of the Retirement Plan.

(f) The present value of a Participant's Restoration Pension payable in a single sum in accordance with this Section 4.3 shall be determined by the Committee according to the actuarial assumptions used as of the Restoration Pension Calculation Date under the Retirement Plan, determined as if the Retirement Plan had not been frozen, for the determination of single sums.

4.4 Death. In the event that an Employee designated as a Participant with respect to the Restoration Pension should die before his Restoration Pension Calculation Date thereof and is survived by his Spouse, no Restoration Benefit as described in Section 4.1 shall be paid and instead the Spouse shall receive a Death Benefit to the extent any death benefit is payable to the surviving Spouse under the Retirement Plan. Such Death Benefit shall be paid in a single lump sum within sixty (60) days following the Participant's death. The amount of any Death Benefit under this Section 4.4 shall be:

(a) the present value of the amount which would have been payable to the surviving Spouse under the Retirement Plan on the basis of the Participant's Compensation and, if applicable, Final Average Compensation as defined in Sections 2.12 and 2.18 (or, if applicable, "Base Earnings" and "Final Average Excess Earnings" as described in Section 4.1(b)(1)(A)), determined without regard to the annual limit on compensation under Section 401(a)(17) of the Code, without regard to any applicable maximum benefit limitation under Section 415(b) of the Code, and as if the Retirement Plan had not been frozen, reduced by

(b) the present value of the amount payable to the surviving Spouse under the Retirement Plan, taking into account the freezing of the Retirement Plan, reduced by

(c) the present value of the 401(k) Savings Plan Benefit as of the commencement date of the Death Benefit.

The present value of the Death Benefit payable in a single sum in accordance with this Section 4.4 shall be determined by the Committee according to the actuarial assumptions used as of the date of the Participant's death under the Retirement Plan, determined as if the Retirement Plan had not been frozen, for the determination of single sums.

ARTICLE V

FINAL AVERAGE COMPENSATION PENSION

5.1 Amount of Final Average Compensation Pension.

(a) The annual amount of a Participant's Final Average Compensation Pension, payable to the Participant on a monthly basis beginning as of his Normal Retirement Date, shall be equal to

(1) the Applicable Percentage (not to exceed fifty-five percent (55%)) of the Participant's Final Average Compensation, reduced by

(2) the Offset Amount.

(b) For purposes of the foregoing, a Participant's "Applicable Percentage" shall be fifty-five percent (55%) multiplied by a fraction, not to exceed 1, the denominator of which is 27.5 and the numerator of which is the Participant's Benefit Years determined as of his Benefit Commencement Date as if the Retirement Plan had not been frozen. Notwithstanding the foregoing, upon the happening of a Change in Control, the Participant's Applicable Percentage shall be fifty-five percent (55%) without regard to his Benefit Years at such time.

(c) For purposes of the foregoing, a Participant's "Offset Amount" means the sum of:

(1) The annual amount of the Participant's pension payable from the Retirement Plan, taking into account the freezing of the Retirement Plan, plus

(2) The annual amount, if any, of the Participant's pension payable from any other qualified or nonqualified defined benefit pension plan or arrangement sponsored by the Company or any affiliate, including without limitation the Restoration Pension and/or the Company's qualified defined benefit plan for hourly employees, plus

(3) The annual amount that is calculated based on the present value of the 401(k) Savings Plan Benefit as of the date as of which the Offset Amount is calculated. Such annual amount shall be calculated assuming an annuity commencing at Normal Retirement Date.

The Offset Amount shall be determined by assuming that each benefit under each plan or arrangement which comprises the Offset Amount is paid beginning at the same time as the Final Average Compensation Pension and in the form of a joint and 75% survivor annuity with the Participant's Spouse, and shall be valued by using the actuarial assumptions used to calculate actuarial equivalences or the reduction factors for early commencement, as applicable, under such plan or arrangement, if any, or otherwise under the Retirement Plan, determined as if the

Retirement Plan had not been frozen. If the Participant has no Spouse, the Offset Amount payable in the form of a joint and 75% survivor annuity shall be determined by assuming the Participant had a spouse of the same age.

5.2 Normal Retirement. A Participant who retires from employment with the Company and all affiliates on his Normal Retirement Date will receive a Final Average Compensation Pension, in the amount described at subsection 5.1(a) beginning on his Normal Retirement Date, subject to the payment delay described at Section 5.6.

5.3 Early Retirement. A Participant who retires from employment with the Company and all affiliates on or after attaining age 55 but prior to age 62 will receive a Final Average Compensation Pension beginning as of his Early Retirement Date, subject to the payment delay described at Section 5.6. The amount of the Participant's FAC Pension shall be equal to the amount described at subsection 5.1(a)(l), determined as of his Early Retirement Date but reduced by 2.5% for each year (0.208% for each month) by which his Early Retirement Date precedes his Normal Retirement Date, reduced by the Participant's Offset Amount.

5.4 Late Retirement. A Participant who retires from employment with the Company and all affiliates after his Normal Retirement Date will receive a Final Average Compensation Pension beginning as of the first day of the month coincident with or next following the date of his retirement, subject to the payment delay described at Section 5.6. Such pension shall be determined in accordance with Section 5.1(a) taking into account all Benefit Years earned up until his Benefit Commencement Date.

5.5 Disability. In the event an Employee designated as a Participant with respect to the Final Average Compensation Pension suffers a Disability prior to his Early Retirement Date, he shall be eligible to begin to receive his FAC Pension beginning as of

(a) the first day of the month coincident with or next following his 55th birthday, if he has terminated employment with the Company and all affiliates before such date or

(b) his Early Retirement Date

(each as applicable, his Benefit Commencement Date).

The amount of the Participant's FAC Pension shall be calculated on the basis of his Final Average Compensation determined on the date his Disability commenced, and actual and projected Benefit Years following the onset of his Disability until the first to occur of (a) the cessation of his Disability (including by reason of a determination that he is no longer eligible for payments under the Company's long-term disability plan) or (b) his Benefit Commencement Date. If the Participant's Benefit Commencement Date precedes his Normal Retirement Date, the amount of his FAC Pension shall be reduced to reflect its early commencement in accordance with Section 5.3.

5.6 Payment Delay for Specified Employees. Notwithstanding anything herein to the contrary, in the event a Participant is a "specified employee" within the meaning of Treas. Reg. § 1.409A-(1)(i) as of the date of his retirement or other separation from service that entitles him to receive a FAC Pension, then no payment shall be made to such Participant during the first six months following such Participant's retirement or other separation from service and any amounts that would otherwise be paid in a single lump sum on the first business day of the seventh month following the Participant's retirement or other separation from service.

5.7 <u>Survivor's Benefit</u>.

(a) In the event that an Employee designated as a Participant with respect to the Final Average Compensation Pension should die while an active Employee (or while an inactive Employee by reason of a Disability) before his Benefit Commencement Date and is survived by his Spouse, the Spouse shall receive a Survivor's Benefit. The Survivor's Benefit shall be a monthly pension for life and shall begin as of the first day of the month following the month of the Participant's death.

(b) The Survivor's Benefit shall be the benefit the Spouse would have received if the Participant (1) had separated from service on the date of his death, (2) had survived to the Benefit Commencement Date determined under paragraph (a) above, (3) had then begun to receive an immediate FAC Pension in the form of a Joint and 75% Surviving Spouse's Annuity and (4) died on the following day. If the Survivor's Benefit begins to be paid before what would have been the Participant's Normal Retirement Date, the amount of the Final Average Compensation Pension on which the Survivor's Benefit is based shall be reduced as set forth in Section 5.3 to reflect its early commencement, but such reduction shall not take into account any period of time before what would have been the Participant's 55th birthday.

(c) Notwithstanding the foregoing, if the Participant has elected an approved single sum distribution of his FAC Pension as described in Section 5.8(b) or (c), the present value of the Survivor's Benefit, as determined on the first day of the month coincident with or next following the Participant's death (the "Survivor's Benefit Determination Date") will be paid to the Participant's Surviving Spouse in a single sum within thirty (30) days of the Survivor's Benefit Determination Date.

5.8 <u>Form of Benefit</u>.

(a) Except as provided in subsections (b) or (c), the only form of benefit payable under this Plan with respect to the Final Average Compensation Pension shall be the Joint and 75% Surviving Spouse's Annuity (or, in the case of the Survivor's Benefit under Section 5.7, a single life annuity based on the survivor portion of a Joint and 75% Surviving Spouse's Annuity.) If the Participant is not married as of his Benefit Commencement Date, his monthly pension benefit will end as of the month in which his death occurs, and will not be adjusted to reflect that there is no survivor benefit payable.

(b) The Participant may make a written request to the Committee or its delegate to receive payment of the present value of his FAC Pension in a single sum. Such written request must be received by the Committee at least twelve months prior to the Participant's termination of employment and must delay the payment of the FAC Pension for not less than five years and is subject to the approval of the Committee in its sole and absolute discretion. If the Participant makes such single sum election and such election is approved by the Committee, the amount of the single sum payment shall be determined as of the first day of the month coincident with or next following the payment date or attained age designated by the Participant in his election (which must be at least five years later than the date of his separation form service with the Company and all affiliates (the "Determination Date"). Such Determination Date shall be the Benefit Commencement Date.

(c) The Committee may, in its sole discretion, permit Participants to make a one-time election in accordance with the transition election rules described in Section 409A of the Code and the guidance thereunder. Pursuant to such election, a Participant may elect to receive his FAC Pension (i) in a single sum payable following his retirement from employment with the Company and all affiliates at or after age 55; (ii) in a single sum payable at a specified date or attained age or, if later, within sixty (60) days of his retirement from employment with the Company and all affiliates at or after age 55; or (iii) in a Joint and 75% Surviving Spouse's Annuity, payable following his Early, Normal or Late Retirement date as provided in Sections 5.2, 5.3 or 5.4, as applicable. The amount of such single sum shall be equal to the present value of the Participant's FAC Pension determined as of the Determination Date as follows: If the Participant elects a single sum payment under clause (i) above, his Determination Date shall be the first day of the month coincident with or next following the date of his retirement from employment and the single sum payment shall be paid within thirty (30) days of the Determination Date. If the Participant elects a single sum payment at a specified date or attained age under clause (ii) above, his Determination Date shall be the first day of the month which next follows the month containing such date or attained age (or the date of his retirement from employment if later) and the single sum payment shall be paid within thirty (30) days of the Determination Date. Such election must be made no later than December 31, 2008 and shall become effective six months after the date it is made.

(d) The Committee may in its sole discretion pay the present value of a Participant's FAC Pension in a single sum within thirty (30) days following the date the annuity payments would otherwise commence if such present value is not more than the applicable dollar amount under Section 402(g)(1)(B) of the Code at the time the payment of the FAC Pension is scheduled to commence (for 2019, this dollar amount is $19,000).

(e) For purposes of subsections (b), (c) and (d) above, the present value of a Participant's FAC Pension, as of the Determination Date or other date of reference, shall be determined by the Committee according to the actuarial assumptions used at such time by the Plan's actuary for valuing the Plan's benefits for financial accounting and disclosure purposes.

ARTICLE VI

FUNDING

6.1 Source of Funding.

(a) This Plan shall be unfunded, and payment of benefits hereunder shall be made from the general assets of the Company. Any such asset which may be set aside, earmarked or identified as being intended for the provision of benefits hereunder shall remain an asset of the Company and shall be subject to the claims of its general creditors. Each Participant shall be a general creditor of the Company to the extent of the value of his or her benefit accrued hereunder, but he shall have no right, title, or interest in any specific asset that the Company may set aside or designate as intended to be applied to the payment of benefits under this Plan.

(b) Notwithstanding the foregoing, the Company may, in its discretion, establish an irrevocable grantor trust for the purpose of funding all or part of its obligations under this Plan; provided however, that the terms of such trust require that the assets thereof remain subject to the claims of the Company's judgment creditors in the event of bankruptcy or insolvency and are non-assignable and non-alienable by any Participant or beneficiary prior to distribution thereof, and that such terms otherwise comply with such other requirements as the Internal Revenue Service may prescribe so that the assets placed in such trust, and the income therefrom, do not constitute income to any participant or beneficiary until actual receipt thereof.

ARTICLE VII

ADMINISTRATION

7.1 Administration by Committee. This Plan shall be administered by the Committee, which shall be responsible for the general administration of the Plan under the policy guidance of the Board. The Committee is hereby designated as the Plan's named fiduciary, as defined in ERISA.

7.2 Duties and Powers of Committee. In addition to the duties and powers described elsewhere hereunder, the Committee shall have the following specific duties and powers:

(a) to retain such consultants, accounts, attorneys, and actuaries as may be deemed necessary or desirable to render statements, reports, and advice with respect to the Plan and to assist the Committee in complying with all applicable rules and regulations affecting the Plan; any consultants, accountants, attorneys, and actuaries may be the same as those retained by the Company;

(b) to decide appeals under this Article;

(c) to enact rules and regulations to carry out the provisions of the Plan;

(d) to resolve questions or disputes relating to eligibility for benefits or the amount of benefits under the Plan;

(e) to construe and interpret the provisions of the Plan and supply any omissions in accordance with the intent of the Plan;

(f) to decide all questions of eligibility for benefits under the Plan, to determine the amount, manner and time of payment of any benefits hereunder, and to authorize the payment of benefits;

(g) to evaluate administrative procedures; and

(h) to delegate such duties and powers as the Committee shall determine from time to time to any person or persons. To the extent of any such delegation, the delegate shall have the duties, powers, authority and discretion of the Committee.

Any determinations made by the Committee pursuant to this Article shall be conclusive and binding on all parties. The Committee shall have sole discretion in carrying out its responsibilities.

The expenses incurred by the Committee in connection with the operation of the Plan, including, but not limited to, the expenses incurred by reason of the engagement of professional assistants and consultants, shall be paid by the Company and shall not affect the Participants' right to or amount of benefits.

7.3 <u>Records</u>. The Committee shall keep or cause to be kept records of all proceedings and actions, shall maintain all such books of account, records, and other data as shall be necessary for the proper administration of the Plan.

7.4 <u>Claims for Benefits</u>.

(a) If the Participant or the Participant's beneficiary (hereinafter referred to as the "Claimant") is denied all or a portion of any expected benefit under this Plan for any reason, he may file a claim with the Committee. The Committee shall notify the Claimant within ninety (90) days of receipt of the claim of allowance or denial of the claim, unless the claimant receives written notice from the Committee prior to the end of the 90-day period stating the special circumstances requiring an extension of time for decision and the date by which a final decision shall be made. If a decision is not provided within 90 days, the claim is deemed denied, and the Claimant may proceed to request a review of the claim as described in subsection (b) below. The notice of a denial of benefits shall be in writing, sent by mail to Claimant's last known address, and shall contain the following information: the specific reasons for the denial; specific reference to pertinent provisions of the Plan on which the denial is based; if applicable, a description of any additional information or material necessary to perfect the claim and an explanation of why such information or material is necessary; and explanation of the review procedure.

(b) A Claimant is entitled to request a review of any denial of his claim by the Committee. The request for review must be submitted to the Committee in writing within sixty days of mailing and notice of the denial. Absent a request for review within the sixty day period, the claim will be deemed to be conclusively denied.

(c) The Claimant or his representative shall be entitled to review all pertinent documents and to submit issues and comments in writing. The Committee in its sole discretion may afford the Claimant a hearing. The Committee shall render a review decision in writing within sixty days after receipt of a request for a review, provided that, in special circumstances (such as to hold a hearing) the Committee may extend the time for decision by not more than sixty days upon written notice to the Claimant. The Claimant shall receive written notice of the Committee's decision, which shall contain specific reasons for the decision with reference to the pertinent provisions of the Plan.

(d) The filing of litigation against the Company, the Committee or any of its agents concerning the granting or denial of Plan benefits will be deemed a waiver of all rights under the Plan.

ARTICLE VIII

AMENDMENT AND TERMINATION

8.1 Amendment and Termination. The Company reserves the right to amend this Plan at any time and from time to time in any fashion, and to terminate it at will; provided however, that no such amendment or termination may result in the reduction of the Accrued Benefit of any Participant as of the date of such amendment or termination.

ARTICLE IX

MISCELLANEOUS

9.1 Nonalienation of Benefits. Except as hereinafter provided with respect to marital disputes, none of the benefits or rights of a Participant or any beneficiary of a Participant shall be subject to the claim of any creditor, and in particular, to the fullest extent permitted by law, all such benefits and rights shall be free from attachment, garnishment or any other legal or equitable process available to any creditor of the Participant or the beneficiary. Neither the Participant nor his Spouse shall have the right to alienate, anticipate, commute, pledge, encumber, or assign any of the benefits or payments which either of them may expect to receive, contingently or otherwise, under this Plan. In cases of marital dispute, the Company will observe the terms of the Plan unless and until ordered to do otherwise by a state or Federal court. As a condition of participation, a Participant agrees to hold the Company harmless from any claim that may arise out of the Company's compliance with an order of any state or Federal court, whether such order effects a judgment of such court or is issued to enforce a judgment or order of another court.

9.2 No Contract of Employment. Nothing contained herein shall be construed as conferring upon any person the right to be employed or continue in the employ of the Company.

9.3 Applicable Law. This Plan shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania.

9.4 Section 409A Compliance. Notwithstanding any provision of this Plan to the contrary, any payment that is due upon retirement or termination of a Participant's employment shall only be paid as provided to the Participant upon a "separation from service" as defined in Section 409A of the Code, and any payment that is due upon death of a Participant shall be paid or commence to be paid no later than December 31 of the first calendar year following the calendar year in which the Participant's death occurs, in accordance with Proposed Treasury Regulation Section 1.409A-3(d)(2). In no event shall a Participant, directly or indirectly, designate the calendar year of a payment, except in accordance with Section 409A of the Code. In no event shall a contribution be made to the Trust if such contribution would cause Participants to incur additional taxes on their Plan benefits under Section 409A of the Code. The Plan is intended to comply with the requirements of Section 409A of the Code, and the provisions of this Plan shall be construed as necessary to conform to the requirements of Section 409A of the Code.

9.5 Gender and Number. Except where otherwise indicated by the context, any masculine terminology used herein shall also include the feminine and vice versa, and the definition of any term herein in the singular shall also indicate the plural, and vice versa.

9.6 Additional Benefits. In addition to the benefits provided under the other provisions of this Plan, any benefits authorized by the Company's Board for employees who are members of a select group of management or highly compensated employees which are not payable under the terms of any other Plan maintained by the Company shall be paid under this Plan at the times and in the manner authorized by the Board.

9.7 Permitted Disclosure. Nothing in this Plan or any agreement between a Participant and the Company restricts or prohibits a Participant from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. This Plan does not limit a Participant's right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. A Participant does not need the prior authorization of the Company to engage in conduct protected by this paragraph, and a Participant does not need to notify the Company that the Participant has engaged in such conduct.

Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

IN WITNESS WHEREOF, the P.H. Glatfelter Company has caused this Plan, as amended and restated effective June 1, 2019, to be executed this 31st day of May, 2019.

ATTEST:	P.H. GLATFELTER COMPANY
/s/ Laura A. Jones	By:/s/ Eileen L. Beck
Laura A. Jones	Eileen L. Beck

[Corporate Seal]

Exhibit 10.2

AMENDMENT NO. 2019-1
TO THE
P.H. GLATFELTER SUPPLEMENTAL MANAGEMENT PENSION PLAN

WHEREAS, P.H. Glatfelter Company (the "Company") maintains the P.H. Glatfelter Company Supplemental Management Pension Plan (the "SMPP"), which provides selected senior management employees of the Company with an early retirement supplement to benefits provided under the P.H. Glatfelter Company Retirement Plan (the "Retirement Plan");

WHEREAS, benefit accruals under the Retirement Plan will be frozen, effective as of May 31, 2019, and the Retirement Plan will be terminated, effective as of June 30, 2019 (the "Termination");

WHEREAS, the Retirement Plan Termination process will include an offer of lump sum distributions to participants who are not in pay status and, after such lump sum distributions have been made, a transfer of Retirement Plan assets to one or more insurance companies for the purpose of providing annuities to Retirement Plan participants, beneficiaries, and alternate payees;

WHEREAS, the Company desires to amend the SMPP to reflect the Termination of the Retirement Plan, and to clarify compliance with applicable law and regulatory requirements.

NOW, THEREFORE, pursuant to the authority of the Compensation Committee of the Board of Directors of the Company, the SMPP is amended as follows, effective as of May 31, 2019:

1. Section 2(a) is amended to add a sentence to the end thereof to read as follows:

   "Effective as of May 31, 2019, participation in the Plan shall be frozen, and no employee shall thereafter become a Participant or Early Retirement Participant in the Plan."

2. Section 2(b) is hereby amended to read in its entirety as follows:

   "(b) The Company will pay a monthly Early Retirement Supplement to an Early Retirement Participant who retires from employment with the Company and all affiliates on or after age 55 but prior to his normal retirement date under the Retirement Plan ("Normal Retirement Date"), and who elects, under rules as may be prescribed by the Committee, to defer commencement of his monthly pension benefit under the Retirement Plan (which benefit may be payable from an insurance company after Termination of the Retirement Plan) to the earlier of the first day of the thirty-sixth month following his retirement or his Normal Retirement Date (the "Deferred Commencement Date"). All references to benefits payable "under the Retirement Plan" shall include benefits payable from an insurance company after Termination of the Retirement Plan."

3. Section 8 is hereby amended to read in its entirety as follows:

"8. Section 409A Compliance. Notwithstanding any provision of this Plan to the contrary, any payment that is due upon retirement or termination of a Participant's employment shall only be paid as provided to the Participant upon a "separation from service" as defined in Section 409A of the Code, and any payment that is due upon death of a Participant shall be paid or commence to be paid no later than December 31 of the first calendar year following the calendar year in which the Participant's death occurs, in accordance with Proposed Treasury Regulation Section 1.409A-3(d)(2). In no event shall a Participant, directly or indirectly, designate the calendar year of a payment, except in accordance with Section 409A of the Code. The Plan is intended to comply with the requirements of Section 409A of the Code, and the provisions of this Plan shall be construed as necessary to conform to the requirements of Section 409A of the Code."

4. A new Section 11 is hereby added to the end of the SMPP to read as follows:

"11. Permitted Disclosure. Nothing in this Plan or any agreement between a Participant and the Company restricts or prohibits a Participant from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. This Plan does not limit a Participant's right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. A Participant does not need the prior authorization of the Company to engage in conduct protected by this paragraph, and a Participant does not need to notify the Company that the Participant has engaged in such conduct.

Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law."

5. In all respects not amended, the SMPP is hereby ratified and confirmed.

This Amendment No. 2019-1 to the SMPP is hereby executed as of the effective date described above.

P.H. GLATFELTER COMPANY

By: /s/ Eileen L. Beck
Eileen L. Beck

Date: 5/31/2019

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 (a) OF THE SARBANES-OXLEY ACT OF 2002

I, Dante C. Parrini certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 of P. H. Glatfelter Company (“Glatfelter”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. Glatfelter’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Glatfelter and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Glatfelter, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Glatfelter’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in Glatfelter’s internal control over financial reporting that occurred during Glatfelter’s most recent fiscal quarter (the fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, Glatfelter's internal control over financial reporting.

5. Glatfelter’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Glatfelter’s auditors and the audit committee of Glatfelter’s board of directors (or persons performing similar functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Glatfelter’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Glatfelter’s internal control over financial reporting.

July 30, 2019

By /s/ Dante C. Parrini
Dante C. Parrini
Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 (a) OF THE SARBANES-OXLEY ACT OF 2002

I, Samuel L. Hillard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 of P. H. Glatfelter Company (“Glatfelter”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. Glatfelter’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Glatfelter and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Glatfelter, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Glatfelter’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in Glatfelter’s internal control over financial reporting that occurred during Glatfelter’s most recent fiscal quarter (the fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, Glatfelter's internal control over financial reporting.

5. Glatfelter’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Glatfelter’s auditors and the audit committee of Glatfelter’s board of directors (or persons performing similar functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Glatfelter’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Glatfelter’s internal control over financial reporting.

July 30, 2019

By /s/ Samuel L. Hillard
Samuel L. Hillard
Senior Vice President and
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, of P. H. Glatfelter Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dante C. Parrini, Chairman and Chief Executive Officer of the Company, certify to the best of my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Glatfelter and will be retained by Glatfelter and furnished to the Securities and Exchange Commission or its staff upon request.

July 30, 2019

By /s/ Dante C. Parrini
Dante C. Parrini
Chairman and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, of P. H. Glatfelter Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Samuel L. Hillard, Senior Vice President and Chief Financial Officer, certify to the best of my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Glatfelter and will be retained by Glatfelter and furnished to the Securities and Exchange Commission or its staff upon request.

July 30, 2019

By /s/ Samuel L. Hillard
Samuel L. Hillard
Senior Vice President and
Chief Financial Officer