International Paper Company Salaried Employee Severance Plan
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Salaried Employee Severance Plan

International Paper Company (the Company) has established the International Paper Company Salaried Employee Severance Plan (the Plan) to provide a termination allowance for eligible employees. The effective date of this Summary Plan Description (SPD) is January 1, 2015.

Who Is Eligible

You are an eligible participant under the Plan if you are employed within the United States or on an expatriate assignment and are:

- A regular, full-time salaried employee of International Paper Company; or
- A regular, full-time salaried employee of a subsidiary of International Paper Company.

Your coverage under the International Paper Company Salaried Employee Severance Plan begins on the day you first meet the eligibility requirements.

Hourly employees are not eligible to participate in the Plan.

Termination Events for Which Termination Allowance Is Payable

You are eligible for a termination allowance under the Plan if your employment is terminated under any of the following circumstances, provided you continue working until the management-determined job completion date and you sign a termination agreement acceptable to the Company:

- Elimination of your job, including a permanent reduction in the work force for an indefinite period of time;
- Closing, relocation or sale of all or part of a facility that does not result in an offer of a position as of the date of closing, relocation or sale that the Company deems suitable, either with the Company, one of its subsidiaries, the purchaser of the facility in question or a contractor engaged by the purchaser of the facility in question to manage any facility operation;
- Closing, relocation or sale of all or part of a facility that results in an offer of a position as of the date of the closing, relocation or sale that the Company deems suitable, either with the Company, one of its subsidiaries, the purchaser of the facility in question or a contractor engaged by the purchaser of the facility in question to manage any facility operation which requires relocation and which you do not accept; or
- Your failure or inability to perform your job in an acceptable manner as determined by the Company provided you have made reasonable efforts to achieve the required level of performance.

If you are entitled to benefits under a company-sponsored short-term (Salary Continuance) or long-term disability plan at the time of a termination event outlined above that causes your employment to terminate, you are eligible for a termination allowance if you are released to return to your regular job duties by a physician acceptable to the Company's disability plan claims administrator within 180 consecutive calendar days of the termination event, and you sign a termination agreement acceptable to the Company.
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Termination Events for Which Termination Allowance Is Not Payable

You are not eligible for a termination allowance if your employment is terminated under any of the following circumstances:

- Voluntary resignation, including resignation prior to the management-determined job completion date;
- Voluntary retirement under a company retirement plan;
- Discharge for cause such as, but not limited to, misconduct or other activity detrimental to the business interest or reputation of the Company or continued unsatisfactory job performance without making reasonable efforts to improve. Examples of misconduct are insubordination, protracted or repeated absence from work without permission, illegal activity, disorderly conduct, etc.;
- Closing, relocation or sale of all or part of a facility that results in an offer of a position as of the date of closing, relocation or sale that the Company deems suitable either with the Company, one of its subsidiaries, the purchaser of the facility in question or a contractor engaged by the purchaser of the facility in question to manage any facility operation which does not require relocation or which requires relocation and which you accept;
- Termination because, when facing involuntary termination, you fail to accept a job deemed suitable by the Company at a location which does not require relocation or which requires relocation and which you accept;
- You are entitled to benefits under a company-sponsored short-term (Salary Continuance) or long-term disability plan at the time of a termination event outlined on page 1 of this summary plan description that causes your employment to terminate, but you are not released to return to your regular job duties by a physician acceptable to the Company’s disability plan claims administrator within 180 consecutive calendar days of the termination event.

Suitable – An offer of a position is deemed suitable by the Company if it is a position for which you are qualified based on your background, training or education and does not involve a material reduction in base pay. Your acceptance of a position is conclusive evidence of its suitability.

Relocation – A new job qualifies as a relocation if the new principal place of work is at least 50 miles farther from your residence than your current place of work.

Applicable Service – Applicable Service is defined as your continuous service from your most recent hire date. If you were part of a company acquired by International Paper, your most recent hire date may be the date you were hired by the acquired company. Your human resources representative will make this determination for you.

If you were previously employed by the Company and your employment ended, your prior service will not be included as Applicable Service.

Although hourly employees are not eligible to participate in the Plan, Applicable Service for an eligible participant includes both full-time hourly service and full-time salaried service. Part-time service is not included.
Special Rules for Asset Sales and Outsourcing

When a sale of assets or outsourcing of a business or function occurs, an employee who is not offered a suitable job by the buyer or outsourced vendor is eligible for a termination allowance provided the employee has complied with all of the following conditions.

- The employee must participate in any hiring process established by the buyer or outsourced vendor and must sign a release:
  - Allowing the Company to provide any employee records or other information required by the buyer or outsourced vendor; and
  - Allowing the buyer or outsourced vendor to notify the Company if the buyer or outsourced vendor does not extend a job offer to the employee as the result of the employee’s failure to pass a required drug or alcohol test.
- The employee may not take any measures directly or indirectly, to discourage or inhibit the buyer or outsourced vendor from extending a job offer.
- The employee must remain employed by the Company until the management-determined job completion date.
- If the employee is not made an offer by the buyer or outsourced vendor as the result of the employee’s failure to pass the required drug or alcohol test, the employee must participate in a drug or alcohol treatment program, complete the recommended course of treatment and provide the Company with evidence from the drug or alcohol treatment program provider of the employee’s participation in and completion of the recommended drug or alcohol treatment program.

How the Plan Works

Termination Allowance Calculations

If you are eligible for a termination allowance, it will be calculated based on the length of your applicable service and your salary at the time of termination. The amount of the termination allowance is equal to two weeks of salary for each year and partial year of applicable service beginning with your most recent date of hire. The minimum benefit paid under the Salaried Employee Severance Plan is four weeks of salary.

Salary

For purposes of the Salaried Employee Severance Plan, a week’s salary is calculated as follows:

If your earnings consist of a base salary but do not include sales commissions, or if you are a sales manager who receives a commission as part of your total compensation, your weekly salary for purposes of the Salaried Employee Severance Plan is equal to your annual base salary at the time of your termination of employment, divided by 52. Under the Plan, your annual base salary does not include overtime pay, shift differential pay, Sales Incentive Plan payments, Management Incentive Plan payments, sales commissions (or draws against future sales commissions) or guaranteed sales incentives. There is no rounding when determining the amount of your annual base salary or your weekly salary to be used in calculating your benefit under the Plan.

If you are a sales representative whose earnings consist of base salary plus sales commissions, your weekly salary for purposes of the Salaried Employee Severance Plan is equal to your annual base salary at the time of your termination of employment, divided by 52, plus your total sales commissions (including draws against future sales commissions and guaranteed sales incentives) received during the twelve full calendar months immediately preceding your termination of employment, also divided by 52. For purposes of the Plan, your annual base salary does not include overtime pay, shift differential pay, Sales Incentive Plan or Management Incentive Plan payments. There is no rounding when determining the amount of your annual base salary or your commissions to be used in calculating your benefit under the Plan.

If you are a sales representative and have not completed twelve full calendar months of employment with International Paper at the time of your termination of employment, the amount of your benefit under the Plan will be based solely on a deemed weekly salary of $1,442.31.
Reductions to Termination Allowance

The amount of your termination allowance will be reduced by any amounts that you owe the Company (such as cash advances, outstanding loans, applicable relocation and education assistance reimbursements, etc.) unless prohibited by applicable law.

In addition, if you are on an expatriate assignment at the time of your termination of employment, the amount of the termination allowance will be reduced by the amount of any statutory severance to which you are entitled under the laws of the country of assignment due to your termination of employment.

How Termination Allowance Is Paid

If you are eligible for a termination allowance, it will be paid to you in a lump-sum payment as soon as practicable, following your last day of employment and receipt of your signed termination agreement, but no later than March 15 of the year following your last day of employment.

Bridging – Impact on Retirement Benefits

If you are a participant in the salaried pension formula of the Retirement Plan of International Paper Company, and you are eligible to receive a termination allowance under the Salaried Employee Severance Plan, you can be bridged to early retirement eligibility under the retirement plan if you meet the age and service requirements outlined below. Bridging to early retirement allows you to commence pension payments at a younger age and/or with less credited service than usually is required.

The requirements for bridging to early retirement include all of the following:

- You are eligible to receive a termination allowance under the International Paper Company Salaried Employee Severance Plan and have signed a termination agreement acceptable to the Company;
- At the time of your termination of employment, you are a participant in the salaried pension formula of the Retirement Plan of International Paper Company; and
- At the time of your termination of employment, you are at least age 53 with at least eight years of service.

Bridging to early retirement allows you to commence your pension payments effective the first day of any month following your last day of active employment. You must submit your applications for retirement within the appropriate time frames outlined under the retirement plan.

If you are not a participant in the salaried pension formula of the Retirement Plan of International Paper Company, the bridging provision of the Salaried Employee Severance Plan does not apply to you and has no effect on any of your International Paper benefits.

General Administration of the Plan

This booklet is the summary plan description of the International Paper Company Salaried Employee Severance Plan and meets the requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The actual terms and conditions of the Plan are set forth in the plan document. The plan document governs the operation of the Plan. If there is any conflict between the information in this summary and the provisions of the plan document, the plan document always will apply. If you have questions about any of the information in this booklet, contact the International Paper Employee Service Center at 1-888-ESC-2YOU (1-888-372-2968).

The following sections will explain more about how the Plan is administered and your legal rights under ERISA.

Plan Sponsor

The benefit plan described in this booklet is sponsored by:

International Paper Company
6400 Poplar Avenue
Memphis, TN 38197
1-901-419-9000
### Plan Administrator

The administration of the Plan is the responsibility of the plan administrator, who is:

**Senior Vice President of Human Resources**  
c/o Global Compensation and Benefits  
International Paper Company  
6400 Poplar Avenue  
Memphis, TN 38197  
901-419-9000

The plan administrator has the authority, responsibility and discretion to determine all questions of eligibility and status and has the right to interpret the provisions of the Plan.

### Administrative Information

This Plan is a welfare plan that provides severance benefits. The Plan has been assigned the number 961 and is called officially the International Paper Company Salaried Employee Severance Plan. The plan year ends on December 31 of each year.

All benefits payable under the Plan are provided directly by the Company.

### Employer Identification Number

The IRS has assigned the employer identification number **13-0872805** to International Paper. If you need to correspond with a governmental agency about the Plan, use this number along with the plan name and the Company name.

### Plan Description

International Paper is responsible for providing, upon request, this summary plan description to the U.S. Department of Labor in Washington, D.C. The effective date of this summary plan description is January 1, 2015.

### Amendment and Termination

The Company reserves the right to modify, amend, suspend or terminate the Plan at any time. You will be notified of any important changes.

### Claim Review

#### Right to File Claim

You are entitled to file a claim for benefits under the Plan. The claim is required to be in writing and submitted to your business human resources leader within 90 days of written notice of termination of employment. For purposes of this section, any action required or authorized to be taken by you may be taken by your authorized representative.

#### Time for Decision on the Claim for Benefits

If the claim is denied, in whole or in part, you will be furnished written notice of the denial of the claim within 90 days after the business human resources leader’s receipt of the claim. If special circumstances require an extension of time, you will be furnished written notice prior to the termination of the initial 90-day period, which explains the special circumstances requiring an extension of time and the date by which the business human resources leader expects to render the benefit determination. The notice shall also explain the standards on which entitlement to a benefit is based, any unresolved issues that prevent a decision on the claim, and any additional information needed to resolve those issues. There may be one extension of 90 days, for a maximum of 180 days.

#### Notification of Denial

A written notice of denial of the claim shall contain the following:

- Specific reason or reasons for denial;
- Reference to specific Plan provisions on which the denial is based;
- A description of any additional material or information necessary for you to perfect the claim, and an explanation of why the material or information is necessary; and
- An explanation of the claims review procedure and the time limits applicable to such procedures, including a statement of your right to bring a civil action under ERISA Section 502(a) following a denial upon review of the claim.
Right to Review

You may request a review of a denied claim for benefits at any time within 60 days following the date you receive written notice of the denial. A failure to file a request for review within 60 days shall constitute your waiver of the right to have the denial of the claim reviewed.

Review Procedure

You must request a review in writing to the plan administrator and should state your name and address, the fact that you are disputing the denial of a claim, the date of the initial notice of denial, the reason(s) for disputing the denial, and any other information the plan administrator may reasonably require in order to make a determination upon review of the claim.

The plan administrator shall afford you a full and fair review of the decision denying the claim and shall:

• Provide, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim;
• Permit you to submit to the plan administrator written comments, documents, records and other information relating to the claim;
• Provide a review that takes into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial determination; and
• Provide a review that does not afford deference to the initial claim determination and that is conducted by a plan fiduciary other than the person who conducted the initial claim determination (or a subordinate of that person).

Time for Decision on Review

The decision on review by the plan administrator shall be in writing and shall be issued within 60 days following receipt of the request for review. The period for decision may be extended to a date not later than 120 days after such receipt if the plan administrator determines that special circumstances require extension. If special circumstances require an extension of time, you will be furnished written notice prior to the termination of the initial 60-day period which explains the special circumstances requiring an extension of time and the date by which the plan administrator expects to render its decision on review.

Notification of Determination on Review

If the plan administrator denies a claim upon review, the written notice of denial shall contain the following information:

• Specific reasons for the decision;
• References to the specific Plan provisions on which the decision of the plan administrator is based;
• A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to your claim; and
• A statement of your right to bring an action under ERISA Section 502(a).

The Plan provides that the plan administrator has authority and discretion to interpret the Plan and to determine all disputes under the Plan. The plan administrator’s decision shall be final, conclusive and binding on the Plan, the Company, the participants and any other person claiming an interest in the Plan.
Your ERISA Rights

As a participant in the International Paper Company Salaried Employee Severance Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all participants shall be entitled to the following.

Receive Information About Your Plan and Benefits

- You may examine, without charge, at the plan administrator’s office and at other specified locations, such as work sites, all documents governing the Plan, including a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
- You may obtain, upon written request to the plan administrator, copies of documents governing the operation of the Plan, including copies of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest offices of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.